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Tiananmen's legacy Groping for an end to confrontation



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How the Vatican will keep frescoes clean



Parlez Eurotunnel?

On track for a common corporate culture



TOMORROW'S Weekend : the island of

FINANCIAL TIMES

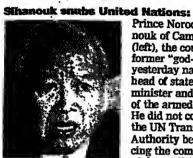
Europe's Business Newspaper

EBRD discussed by G7 nations

The role of the European Bank for Reconstruction and Development is being debated by the G7 industrial nations following disclosures of the hank's extravagance, US Treasury secretary Lloyd Bentsen said. Asked whether there was a case for removing Mr Jacques Attali, the EBRD's president, Mr Bentsen replied: "I think that is for the

KLM fails into red: KLM Royal Dutch Airlines swing into a heavy loss of Fl 562m (\$312m) last year, against a net profit of Fl 125m the year before, partly owing to a fall in business and first class engers. Losses continued at Northwest, the group's minority-owned US airline. Page 21

Klöckner debt write-off delayed: Technical difficulties are delaying European Commission approval of a 40 per cent debt write-off at German steel group Klockner-Werke. The Commission intends to forgive part of the EC's DM175m (\$109m) loan to Klöckner, Page 2



Prince Norodom Sihanouk of Cambodia (left), the country'a former "god-king" vesterday named himself head of state, prime minister and chief of the armed forces. He did not consult the UN Transitional Authority before announcing the composition of the coalition govern-

ment. It is 23 years since Prince Sihanouk was overthrown in a coup d'etat. Page 20; God-king finds role as conciliator, Page 6

Procordia compromise: Volvo, the car and truckmaker, resolved an 18-month dispute with the Swedish government over food and drugs group Procordia by agreeing to divide the company. Volvo will take over the food and consumer prodncts side of the business. Page 21

Italtel chief arrested: Italy's state-owned telecoms group, Stet, became further embroiled in political corruption when the managing director of its manufacturing subsidiary, Italiel, surrendered to Milan police. Page 2

Provisional date for S Africa poil: South Africa may see Its first all-race elections on April 27 next year under a proposal put forward last night hy a multiparty planning committee. Page 6

SMH profits rise 64%: SMH, which rescued ues to buck the recession, with a 64 per cent rise in 1992 net profit to SFr413m (\$290m). Page 21

Mexico vows anti-drugs crusade: Mexico's president Carlos Salinas promised a "national crusade" against the drugs trade, with the establishment of an élite anti-narcotics unit. Page 4

YW board backs Lopez: Volkswagen pledged its "unconditional confidence" in Mr José Ignacio Lopez de Arriortua, its new production and purchasing director, denouncing the campaign by General Motors to "discredit" him. Page 21

Serb leaders attack opposition: Serbian authorities moved against the democratic opposition, seeking to ban the Serbian Renewal Movement on the grounds it had "violently instigated the overthrow of constitutional order". Page 3

HK airport talks resume: Britain and China resume talks today on Hong Kong's airport project amid signs that China might be prepared to agree terms of a new financial package. Page 7

US coal strike targets Peabody: The United Mine Workers of America expanded its selective strike against US coal operators, stopping work at Peabody Coal mines in Illinois, Indiana, West Virginia and Ohio. Page 4

Guatemala in political chaos: Guatemala's

political system was in confusion over who would ucceed the deposed president Jorge Serrano after vice-president Gustavo Espina was prevented from taking office by congress. Page 4 Ukraine debates Start 1 treaty: Ukrainian leaders urged MPs to ratify the Strategic Arms

Limitation Treaty (Start 1) on nuclear disarmament on the first day of what is likely to be a protracted parliamentary debate of the issue. Page 3 Rhône-Poulenc Rorer, Franco-American pharmaceuticals group, is investing \$113m to acquire about 37 per cent of Applied Immune Sciences, a Californian-based healthcare company.

	Page 23	
	E STOCK MARKET INDICES	STERLING
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Future of Attali at New blow for Major as poll rating hits record low seemed discussed. New blow for Major as poll rating hits record low seemed a

By Philip Stephens in London

A SLUMP in Mr John Major's popularity to the lowest recorded by any British prime minister since the second world war delivered another blow last night to his embattled government.

A Gallup opinion poll, which showed support for the govern-ment sliding to just 25 per cent and for Mr Major personally to just 21 per cent, underlined the threat of a humiliating defeat in a forthcoming by-election.

It coincided with a fresh outbreak of recriminations in the Conservative party over Mr Major's decision last week to sack Mr Norman Lamont as cbancellor of the exchequer.

With friends of Mr Lamont suggesting he is still "stunned" hy his dismissal, some Conservative opponents of the Maastricht treaty are urging him to pin on Mr Major the blame for sterling's ignominious exit from the exchange rate mechanism. The Gallup survey, published in The

Daily Telegraph today, shows that only 21 per cent of the UK electorate is satisfied with Mr Major's performance.

That is the worst figure for any UK prime minister since Gallup began polling in 1938. It compares with the lowest satisfaction rating of 23 per cent recorded by the then Mrs Margaret Thatcher in spring 1990. Six months later she was toppled as party leader.
The poll indicates that the Con-

servatives can now claim the support of only 25 per cent of the

voters, down from 30 last month. The government's support is now just fractionally above the 23 per cent backing the Liberal Demo-crats (up from 17.5 per cent last month). Labour's support rose to 49 per cent up from the previous

opposition a 24 per cent lead.

The disarray in the Conservative party was underlined by a renewed attack on Mr Major's style of government hy Mr Edward Leigh, a rightwing Conservative sacked as a junior min-

figure of 47 per cent - giving the

The depth of the government's unpopularity has also been hrought home personally to ministers and Conservative MPs by visits to their constituencles this week during a parliamentary recess. One minister confessed he had been "horrified" by the level of antagonism voiced by previously loyal Conservative voters. Mr Major also faces the prospect next week of a new

onslaught on the Maastricht

treaty by Lady Thatcher and

Lord Tehbit, a former cablne minister. The bill moves to the House of Lords on Monday, and Lady Thatcher may use the debate for a more general attack on her successor's policies.

The biggest potential threat however, is the hy-election at Christchurch in Dorset, where the Conservatives' 23,000 majority looks increasingly vulnerable to the Liberal Democrats. No date has been set, but the government would find it difficult to delay it beyond mid-July.

US plans aim to open Japanese economy

By David Dodwell, World Trade Editor, In Paris

THE US will next week present Japan with a proposed framework for opening sectors of the Japanese economy to foreign exporters and for reducing Japa-nese surpluses, Mr Mickey Kantor, the US trade representative, said in Paris yesterday.

"In vital areas, Japan's economy is not open," Mr Kantor said during ministerial talks of the Organisation for Economic Co-operation and Development. It will be difficult to have substantial global growth, and to recover from recession among developed countries, unless someance in trade," he said.

The framework, intended to be a successor to the Structural Impediments Initiative launched in 1989, will embrace sectors such as computers and supercomputers, cars and car parts, and financial services.

The US proposal will include a call for Japan to halve its current account surplus, from the present level of 3 per cent of gross national product to 1.5 per cent.

Japanese officials are adamant

that "managed trade" proposals will be rejected. In a six-point memo to the US, setting out the principles that would underly talks on the framework, they also insisted that numerical targets, such as those suggested for cutting the current account surplus, were unacceptable.

Japanese negotiators have said discussions on the framework could only occur if the US agreed not to threaten unilateral sanctions, but to settle any disagree-ments in international forums such as the General Agreement on Tariffs and Trade or the

"Japanese representatives understand their responsibility in trying to provide leadership along with the US and the EC in promoting growth. In this con-text, they understand the impor-tance of addressing tha [trade imbalance] issue," Mr Kantor

PAGE 5 EC seeks to tighten curb on Japanese car imports Key to Uruguay Round hopes

Earlier, Mr Lloyd Bentsen, US Treasury secretary, went further: Japan bas both the means and the need to increase domestic demand and reduce its external surplus. The recent fiscal stimulus package is a useful step, but it needs to be sustained."

A senior Japanese trade official said in Paris: "If the US sets aside the threat of using Section 301, and really wants to find a solution bilaterally, then we have no He said the idea of setting spe-cific targets - like those set

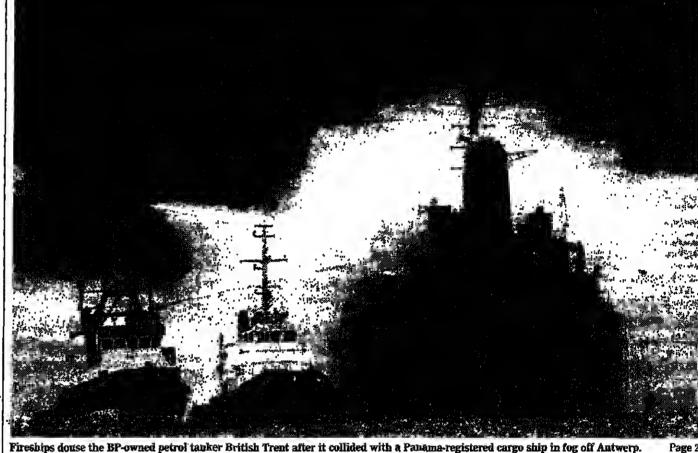
under the US-Japan Semiconductor agreement for foreign companies to win a 20 per cent share of the Japanese market - was unac-ceptable "because it is not the Japanese government that conducts import business".

Mr Kantor also said the US "was not pleased" with the EC decision to counter-retaliate in their longstanding dispute over better access to the EC's telecommunications market.

The EC foreign affairs council is expected next Tuesday to impose sanctions estimated to be worth about \$15m a year against US companies bidding for public supply contracts of less than Ecu125,000 (\$152,500), and public service contracts worth less than Ecu200,000. Larger contracts in dredging, transport, legal services, hotels and restaurants, security services, health and telecommunications, will also be

closed to US bidders. The list virtually mirrors US sanctions imposed after negotiators failed to agree on liberalisa-tion of the EC's procurement market. These are estimated to shut EC hidders out of contracts worth about \$19m a year.

Both sides appear to have reacted mildly in the dispute to prevent it from jeopardising prog-ress in Uruguay Round talks on global trade liberalisation.



Sharp drop in West German GDP

WESTERN Germany's grosa domestic product fell by a real 3.2 per cent in the first quarter of the year, compared with the same period of 1992. It was the sharpest drop in economic activity since 1975.

The figure was immediately seized upon hy Mr Günter Rexrodt, economics minister, as confirmation that Germany could he facing its most severe recession for more than 30 years.

He warned that the downturn could jeopardise recovery in eastern Germany, which is heavily dependent on western invest-ment. He called for urgent measures to control inflation and limit public spending, to provide room for further cuts in interest rates to stimulate a recovery. Yet the Bundesbank, whose

governing council yesterday decided against any further rate reductions, cautioned against excessive pessimism over about the latest figures.

Mr Otmar Issing, a director of the central bank, said the figure was distorted by special factors. Economic activity in the first quarter of 1992 was exceptionally favourable, thanks to a particularly mild winter, and there was

a surge in consumer spending in the last quarter before a 1 point increase in value added tax.

Gross national product, which includes external trade, showed an even sharper decline than A second set of figures just GDP, down by a real 3.7 per cent over the year.

released, for manufacturing activity in April, showed a better than expected recovery of 0.5 per cent compared with March. The March figure was also adjusted upwards, and the two-month total showed an increase of 1 per cent against January-February.

Mr Rexrodt said the figures confirmed his view that "the cur-rent recession in western Germany could prove more serious than those in the 1960s, the 1970s and the beginning of the 1980s".

more relaxed attitude of Mr Hel-mut Schlesinger, the Bundesbank president, in Bonn on Wednesday, when he insisted that the slump in industrial production was no worse than in the reces-

sions of 1973-75 and 1980-82. The German trade union feder ation yesterday called for an emergency DM30hn (\$18.7bn) economic growth initiative to His gloom contrasted with the counter rising unemployment.

"Frankly, Taylor, it troubles me that the man leading our search for European acquisitions thought he'd ordered the whitebait."

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End of a no-tobacco road

By Paul Abrahams in London

AMERICANS indulging in what King James VI of Scotland called the vile and evil habit of smoking tobacco will no longer have the benefit of non-prescription products to help them in their

efforts to give up.
The US Food and Drug Administration has decided there is no evidence any of the existing over-the-counter products actually work. They are to be withdrawn from December.

"These products are safe enough", says Mr Mike Shaffer, a public affairs officer at the FDA. "But there is no evidence that they work. We're not saying they don't work, just that we don't know if they do." The products, supported by

millions of dollars of advertising annually, include Cigarrest, Bantron, Nikoban and Tabmint, a chewing gum that contains silver acetate and is supposed to make smoke taste unpleasant. The withdrawn products do not include Nicorette gum and nicotine patches which are available in the US only on prescription.

Ms Sandi Wilson, director of Quit, a UK charity, said there was nn evidence that non-prescription products on sale in Britain worked. They include Nicobrevia, a product containing gninine, campbor and oil of

eucalyptus, and the recently launched and commercially successful nicotine patches. She said: "There is evidence

patches can work when counselling is given at the same time. But there is no evidence they work when bought over the counter. They may help motivation, but there is no evidence they are more effective than a

The leading patches are Ciba-Geigy's Nicotinell, known in the US as Habitrol, Kabi Pharmacia's Nicorette. Marion Merrell Dow's Nicabate, known as Nicoderm in the US, ProStep supplied by Lederle, and Nicotrol, a Warner-Lambert product.

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17		WOLLEGICAL LARING TOWN TO THE SECOND	_

Etaltel chief arrested by Milan police Special EC

state-owned munications group. terday slid further into ening political corrup-Wall Sndal with the decision US stocector of its Italtel manu-

ing yesing subsidiary, to surren-rally o Milan police. disapiltel, in which AT&T of the mar has a 20 per cent stake, is Hare country's leading producer telephones and exchanges. Ir Mr Randi's move followed the issue of a warrant for his

and Telecommunications Min-The detention of Mr Randi follows last month's arrest of Mr Luigi Montella, managing

arrest by magistrates investi-gating corruption allegations

over contracts from the Posts

director of Stet'a Sirti network engineering subsidiary. Mr Montella and other officials of Stet subsidiaries were arrested following allegations by Mr Davide Giacalone, an adviser to Mr Oscar Mammi, a former Mr Giacalone's testimony.

Debt write-off delayed by legal

widely leaked, has given mag-istrates in Milan and Rome a string of new leads. These include contracts by the former state ASST telecommunications agency and the alloca-tion of television broadcasting frequencies by the posts ministry under Mr Mammi.

Mr Randi allegedly paid L3.8bn to Mr Giuseppe Parrella, ASST's director general, detained by magistrates last month. The arrest of Mr Parrella, in connection with alleged kickhacks of about L40hn on ASST contracts

1987-91, was followed by that of Mr Giuseppe Lo Moro, a former assistant to Mr Parrella, now believed to have incriminated Mr Randi.

Separataly, Mr Randl is believed to have contacted Milan magistrates independently before his arrest with written testimony regarding ASST contracts. Recent arrests, which include the heads of the Italian snhsidiaries of the multinational Siemens and Ericsson telecommunications groups, suggest magistrates are investigating whether bidding procedures on ASST contracts may have been

rigged by leading suppliers. Addressing Stet's annual shareholders' meeting in Turin yesterday, Mr Biagio Agnes, chairman, said: "As far as Stet is concerned, I confirm that contributions have never been given to political parties or their appendages." However, seeking to distance the group, which is widely followed hy foreign investors, from its subsidiaries, he added: "For the group's subsidiaries, which are

administratively and manage rially independent, we were never aware of irregular situations and we never received such signs even in these last turbulent months."

Mr Agnes said the arrests of senior executives had prompted him to commission an audit of the group and its subsidiaries.

He gave no indication of when the results would be known but said he retained full confidence in the group's management "until the opposite is

summit idea takes shape

By David Marsh, European Editor, in London and Quentin Peel In Bonn

THE IDEA of a special autumn EC summit to discuss implementing the Maastricht treaty received the backing yesterday of Mr Hans van den Broek, European commissioner for external political relations. Speaking in London, he said such a meeting would provide "new and credible impulses for

carrying out and bringing forward the integration process.

The proposal was made on
Wednesday by six Christian
Democrat leaders, headed by
Chancellor Helmut Kohl. The idea of calling a special sum-mit to mark the ratification of the Maastricht treaty fits in with the German chancellor's desire to revive popular enthusiasm for the Community and give it "a special push ahead". One idea which could be explored is the possibility of bringing Austria, Finland, Norway and Sweden into the Community before the end of 1995,

as currently planned.

A second theme would be to offer a better deal to eastern Europe countries whose full EC membership is a much more distant prospect.

Yesterday, Mr van den Broek said he was optimistic that the regular six-monthly EC summit to be held in Copenhagen tater this month would endorse Commission proposals for fur-ther liberalisation of trade with central and eastern Europe. The measures are due to be discussed by EC foreign minis-

ters in Luxembourg on Tues-As for the suggested special summit, there is some doubt in Bonn whether it should try to

settle the thorny problem of siting new EC institutions, in particular the European Mone. tary Institute. It would require tough negotiations, particularly between Germany, which wants the EMI in Frankfurt and Britain, which would pre-

fer any other site.
Such haggling would be out of keeping with an optimistic, smiling summit, which is clearly what Mr Kohl wants.

Just when a summit could be called depends not only on the British parliament, but also on tha German constitutional court, which is considering a series of legal challenges to ratification of the Maastricht

The court is expected to hold its oral hearing into the complaints by the end of June. Mr Kohl hopes that a final deci-sion will come before the summer recess, but other officials are more cautious, suggesting that it may not he ready until mid-September, or even early

That would still allow the special summit to be held by the end of October.

• The incoming Belgian presidency of the EC yesterday declared its determination to set up the European Monetary institute on schedule by Jami-ary 1, 1994 – the start of the second stage of European monetary union. Lionel Barber adds from Brussels.

in a speech in Brussels, Mr Philippe Maystadt, Belgian finance minister, called upon EC member states to make the process toward Emu irreversible, Failure to do so would encourage currency speculators, he said.

Federalist-minded Belgium takes over the presidency from Denmark on July 1.

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and industry support problems Klöckner plan puts Brussels through mill German company with a toler-able level of debt, and is tied to legally-hinding, irraversible

with a consortium of European

The Commission and its potential partners from the

private-sector have an interest

in nudging Klöckner towards

wider-ranging restructuring which might involve the

break-up of the company and

possible closure of some hot-

rolling capacity. Hot-rolled products account for 80 per

cent of Klöckner's production,

hut this is the sector where EC

Officials say it is "totally

ridiculous" to compare Klöck-

ner's debt write-off with state

aid plans by Rome and Madrid.

In fact, a rough comparison between the total deht write-off

at Klöckner, and the estimated state aid at Ilva, the Italian

steelmaker, indicates that the trade-off between cash and

But the Commission is

clearly worried that any hint

of leniency in the Klöckner or

Saarstahl cases could be

latched on to hy Italy and

Spain at a special meeting of

industry ministers next month

in an attempt to force EC

approval of their sensitive steel

Indeed, the Commission

already seems resigned to los-ing its DM100m loan to Saar-stahl, rather than allow the

Saarland regional government

to prop the company up with

"One point is absolutely

clear," says one Brussels offi-

cial. "The Commission will be

extremely reluctant to envis-

age any sort of public aid in this case."

aid-and-restructuring plans.

cuts is similar.

overcapacity is at its worst.

TECHNICAL and legal difficulties are holding up formai European Commission approval of a 40 per cent deht write-off at Klöckner-Werke, the German steel group. The Commission has decided

in principle to forgive part of the EC's DM175m (£71m) loan to Klöckner, which has filed for protection from its creditors. But it wants cast-iron guarantees from the German company that it will reduce capacity.

Approval by Brussels would allow a debt rescheduling deal to go ahead at Klöckner, involving the write-off of loans worth a total of DM1.4bn. But the Commission has run up against German rules which prevent creditors imposing legally hinding conditions on such debt rescheduling plans.

The Commission is also in the difficult position of trying to fit its decision on Klöckner into an overall plan to support the whole EC steel industry. On the one hand, Brussels has come under attack for

granting a reprieve to the German steel group at a time when the rest of the industry is suffering from overcapacity. in particular, publicly-owned Italian or Spanish steel produc-

ers - which are being asked to sacrifice capacity if they want Klöckner is getting off lightly. On the other hand, German steelworkers blame the prob-

lems at Klöckner and the collanse last month of Saarstahl. a Frencb-owned steelmaker in the depressed German Saarland, on the EC's failure to get tough with Italy and Spain.

Commission officials say an inflexible approach to the Klöckner case - demanding the recovery of the entire DM175m loan - could have provoked outright bankruptcy.

The Commission would have failed in its duty to recover the Community taxpayers' loan to the company and another producer could then have bought the company for a pittance and returned it to full production, free of deht.

By contrast, officials say, the deal now awaiting the Commis-



COFFINS of five Turks killed in a racist attack in Solingen, Germany, are carried yesterday in front of their burnt-ont house. Several thousand people gathered in front of Cologue's largest mosque to mourn their deaths, writes Ariane Genillard. Addressing the crowd President Richard von Weizsäcker - Chancellor Helmut Kohl stayed away - called on Germany's 1.8m Turks to be granted dual citizenship, "They live under the laws of the German state but, unlike other citizens, have no influence on it. Should this always remain?" the president asked, "We do not want to stamp as foreigners those who for years and decades have proven that Germany is also their home." The president also clearly pointed to political motivetions behind the series of racists attacks.

OECD to open its doors to Mexico

By Peter Norman In Paris



THE world's leading industrial countries yesterday decided allow Mexico to join the Organisation for Eco-

Co-operation and Development (OECD), in a move that will expand the membership of the "rich nations club" for the first time

at the end of a two-day ministerial meeting in the French capital, added an upbeat note to proceedings that had already received a boost from progress towards completing the long stalled Uruguay Round of multilateral trade

negotiations. These two events offset in continuing rise in unemploy-ment in the organisation's 24 member-nations towards a forecast 36m by the end of this

The ministers "invited"

Mexico and the OECD to examine "with Mexico the terms and conditions of its membership with a view towards early entry".

According to Mr John Dawkins, the Australian treasurer who chaired the meeting, Mexico could be the 25th OECD memher state in 12 to 18

prospect of South Korea becoming a member at a later date, to be followed at some point further in the future by Hungary, Poland and the Czech Republic.

membership was supported strongly by the US and Canada and came after the rejection of a move by Germany to accelerate the entry of the east European countries into the organi-

Mexico's application for

The meeting also recommended a catalogue of macroeconomic, structural and growth and ease unemploy-

probe ship dies guick". He said, nevertheless, that

the determination shown hy the OECD countries to complete the Uruguay Round by the end of this year should boost husiness confidence.

According to Mr Peter Cook, the Australian trade minister, the communique contained encouraga non-inflationary mitment yet" of the OECD countries to completing the round and was a reflection of their "steely determination" to ecknowledged that "nobody have an agreement hy the

suggests it [cutting unemploy- year's end.

collision By David Lascelles, Resources Editor

AN official inquiry is to be launched into the tanker collision off the Belgian coast which killed nine people early hrought renewed calls for greater safety at sea.

British Petroleum, the tanker's owner, will conduct a separate investigation.

The British Trent, leaving Antwerp with a 24,000 tonne cargo of petrol, collided with the Panamanian-registered hulk carrier Western Winner in thick fog eight miles off the coast. The tanker's hull was punctured, releasing hlazing petrol into the sea.

Although many crewmen swam to safety, seven were burned to death and two are missing, believed dead. Parts of the tanker, towed away from the coast, continued to burn. Petrol was still leaking into

the sea, prompting environmental concerns. But BP said the risk of further damage was slight because the petrol would burn off or evaporate. The Bermuda-registered Brit-

ish Trent had 12 European officers, including a British master, and 17 Sierra Leonean crew. There were also five cadets and two wives on board. The inquiry is bound to focus on how the ships managed to collide even though they both had sophisticated

radar equipment.
The disaster occurred only nine days after the Londonbased International Maritime Organisation backed proposals for improving safety in response to the rising number of tanker accidents.

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 6000 Frankfurt am Main 1, Germany. Telephone 49 69 156 850, Fax 4969 596481, Telex 416193, Represented by Edward Hugo, Managing Director. Printer: DVM Druck-Vertrieb and Marketing GmbH, Admiral-Rosendahl-Strasse 3s. 6078 Neo-Isenborg 4 (owned by Hürriyet International). Responsible Editor: Richard Lambert, cto The Financial Times Limited, Number One Southwark Bridge, London SEI 9HL, UK, Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London and F.T. (Germany Advertising) Ltd, London Shareholder of the above mentioned two companies in: The Financial Times (Limited, Number One Southwark Bridge, London SEI 9HL. The Company is incorporated under the laws of England and Wales. Chahman: D.C.M. Bell.
FRANCE
Publishing Director: J. Rolley, 168 Rose de Rivoli. F-75044 Paris Cedex 91.

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Publishing Director: J. Rolley, 168 Rose
de Rivoli, F-75044 Paris Cedex 01.
Telephone (01) 4297-0621, Fax (01)
4297-0629. Frinter: S.A. Nord Ecksir,
15/21 Rm de Caire, F-59100 Roubaix
Cedex 1. Editor: Richard LambertISSN: ISSN 1148-2753. CommissionParitaire No 67808D.
HENMARE
Financial Times (Scandinavia) Ltd.
Vintmelskafted 42A. DK-1161.
CopenhagenK. Telephone 33 13 44 41,
Fax 33 93 53 33.

MINISTERS addressed the need to restore

Concern over growth and unemployment

This is the preamble to the communiqué issued by the OECD after its annual meeting which ended in Paris yesterday.

MINISTERS addressed the need to restore strong, sustained growth with improved employment prospects; they agreed on collective action to meet the major challenges facing their countries. They are deeply concerned that growth in the OEC area is insufficient and that unemployment continues to rise in most countries. To cope with these problems they are resolved to take additional action to improve both macroeconomic and structural policies and to extend nomic and structural policies and to extend international co-operation, in particular by

system.

Ministers are committed to a concerted

Ministers are committed to a concerted strategy for growth and employment. It consists of the following planks...

• monetary and fleesi policies will exploit the opportunities that may exist — without jeopardising the objectives of price stability and medium term budget consolidation;

• structural reform policies, including labour market policies, will aim for vigorous, competitive and efficient development of OECD economies, exploiting opportunities offered by technological progress and open international competition:

further strengthen multilateral disciplines and, as the first priority, to actieve a suband, as the test priority, to achieve a sub-stantial, comprehensive and balanced out-come of the Uruguay Round by the end of the year – which would be a very powerful contributor to bolstering confidence, growth and employment both in OECD members and eisewhere.

In pursuit of this strategy, effective sup-

In pursuit of this strategy, effective sup-port will be given for the progressive into-gration of all countries into the world econ-omy; this will include the concerted international effort to support the econo-mies in transition, in perticular Russia, and developing countries.

vence of the OECD and of the basic values vance of the OECD and of the basic values its members hold in common; respect for human rights, pluralist democracy and the market economy. They appreciate its working methods and its multi-disciplinary character, as exemplified by the study under way on employment/unemployment. They call on the organisation to continue to build on its strengths and on the collective wealth of its member countries' national and regional economic, social and cultural experiences to further develop common

regional economic, social and cutural experiences to further develop common approaches in order better to meet the challenges of a fast changing world and to foster worldwide sustainable development.

Strike call at Bank of France

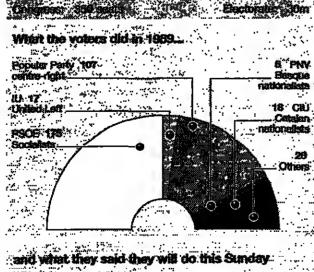
By David Buchan in Paris

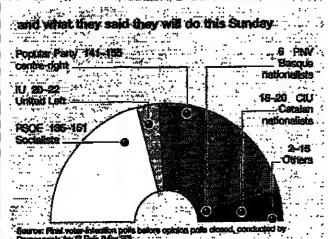
UNIONS representing most of the Bank of France's 17,189 employees have called a oneday strike next Tuesday. It is in support of demands for guarantees that the central bank's activities not he cut back once it gets autonomy in monetary policy-making.

The unions said they had nothing against Mr Jacques de Larosière, the bank's governor, who fought off Treasury pres-sure for for commercial bank regulation to he transferred from the central bank to a new hody. But, a union spokes-woman said, "we only have oral assurances [about maintaining the scope of the bank's activities] from the governor, who himself only has oral assurances from the government and the Treasury".

Amendments to the government's draft hill to make the bank independent in setting monetary policy - as eventually required by the Maastricht treaty - have been proposed by the unions. They are intended to bolster the central bank's monopoly in printing the nation's money, lay down that one of the two deputy governors be chosen from within the staff, and endorse its role in keeping financial data on all French companies.







A saviour comes to Valencia

Peter Bruce hears Aznar tell 30,000 people what they want to hear: it is all right to be conservative in Spain

HIRTY thousand people pushed and shoved to get inside the grand old bullring in the middle of Val-encia. A third never made it and stood cheering outside. It was the biggest rally of the Spanish election campaign. The air throbbed with the When José Maria Aznar

entered the arena, his bodyguards struggling to stop screaming supporters mobbing him, the roar was so loud the place shook. "Pre-si-den-tel", they shouted, "Pre-si-den-tel" The welcome was both uplifting and frightening. Here was a mild and ordinary man, leader of the centre-right Peo-

ple's party (PP) and favourite to win the election on Sunday, being embraced and hailed as if he were a saviour. There was change in the air in Valencia on Wednesday night. In the great Left-Right see-saw of Spanish politics, the Right are coming back. "Vamos a ganar," the crowd shouts, *'vamos a gobernar.*" We are

going to win, we are going to

govern! Valencia, once a

Socialist redoubt, will be taken by the PP. The crowd is warmed up hy the mayor, Ms Rita Barberá, who attacks the Socialists for huilding a high-speed train line to Seville not to Valencia. "And," she says, "because of the negligence of Felipe González, Valencia missed out on two big projects – Euronews and Eurodisney." Not everyone understood but they roared all

the same.
Former French president
Valery Giscard D'Estaing, got up to "give testimony of my friendship, solldarity and

Over and over, he finds ways to repeat his same message - the Socialists are corrupt, inefficient, wasteful. Socialism is dead.

esteem to Spain, the People's party and José María Aznar". The crowd became a bit irritable with Mr Ciscard's poor Spanish hut he ended well, comparing his presence with the alternativa - a bullfighter's first real fight, where the novice is given the first bull of the evening. This is always "confirmed" hy a fight in Madrid.

Mr Aznar's alternativa would be confirmed in Madrid on Friday (Mr Aznar's last rally), "and on Sunday in all of Spain. He will be carried out shoulder

ists are corrupt, inefficient, wasteful Socialism is dead. He had been in Brussels at a meeting of centre-right leaders. "All of them," he cries, "from Chancellor Kohl to (a tiny nause) the Belgian prime minister want a PP victory."

high through the big gate!"

ing To-re-ro, to-re-ro.

Then Mr Aznar strode on to

the platform to the PP anthem

and 30,000 Valencianos chant-

He spoke for about 45 min-

utes. The speech, devoid of pol-

icy content, was perfect for the

occasion and Mr Azmar has

become good at lt. Over and

over, he finds ways to repeat his same message - the Social-

Cadence is everything in the Aznar speech. When he raises his voice, they cheer, and they have come to cheer. They want to hear someone tell them it is all right now to be a conserva-tive in Spain and that "their" time has come again. The faces

are younger and hungrier than those at a Socialist rally.

Behind him, a group of peo-ple start chanting "Felipe el corrupto, Felipe el corrupto," and he rounds on them sternly.
"No no no," he says wagging a finger. "I will not have any of that." This is his moment to be conciliatory, "We are nice people," he says. But he is quickly back on the

attack. "Why were the Socialists in France kicked out of power?" he asks. "For unemployment and corruption. And why are they going to he kicked out here? For unemployment and corruption." Down below with the guests, Mr Giscard applauds. "I want more jobs, more

businesses, more competitiveness, more productivity," Mr Aznar says. "We need austerity, not waste; jobs, not a government that brags about how well it looks after the jobless." He apologises for having to stop. He is tired. He promises to come back when he is "presklent" (of the government).

He walks, or is shoved, around the ring, shaking hands. On the podium, his wife, Ana, is autographing flags and hands. People walk away from her with their faces illuminated as if by a spiritual

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By David Liste es Pasources 2010 inch.

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IMES FRIDAY JUNE 4 1950

move to ban opposition

By Kerin Hope in Beigrade

SERBIAN authorities yesterday moved against the country's democratic opposition, seeking a ban on the Serhian Renewal Movement (SPO) of Mr Vuk Draskovic.

The Belgrade prosecutor asked the constitutional court to ban the SPO, on the grounds that it had "violantly instigated the overthrow of constitutional order".

The request, coming two days after police forcibly hroke up an anti-government demonstration, aignalled that Mr Slobodan Milosevic, the Ser-bian president, intands to clamp down heavily oo the

Earlier in the day Mr Dras-kovic, the SPO leader, was taken from police headquarters to a Belgrade prison.

A party spokesman said that lawyers had been unable to contact Mr Draskovic, who was badly beaten after being arrested on Wednesday. His wife, Danitsa, was alao

However, 20 other members of his Serbian Renewal Movement, also arrested when police broke into the party's beadquarters, were released. Mr Draskovic was leading a

demonstration protesting at the dismissal of Mr Dohrica Cosic, the federal president, in a parliamentary vote of no con-Mr Cosic broke his silence

after the demonstration. accusing his former political Serhian President

UNITED Nations sanctions against Serbia and Montenegro are now being successfully enforced on the Daeobe, Mr Douglas Hurd, the British foreign secretary, said yesterday after visiling Romanian and Bulgarian river ports, writes Virginia Marsb in Ruse, Bul-

garia. The checks on documentation at different points do in effect prevent illegal traffic. The riverside is greatly improved," he said. However, British offi-cials travelling with Mr Hurd said the embargo was still not tight enough at land crossings,

especially in Macedonia.

Mr Hurd, who is on a fourday visit to the Balkans, said Britain would provide three of the eight patrol boats which the Western Europeao Union agreed last month to deploy on the Danube in Bulgaria, Hun-gary and Romania. The WEU aims to have the boats, as well as 300-400 police and customs officials, monitoring the Danube by the end of the month.

"tyrannical behaviour." What happened in the federal parliament was a classical Stalinist act, hounding the president out of office through slander." Mr Cosic said in a

written statement. He said Mr Milosevic had distorted an account of a rontine meeting with the army leader

Mr Cosic was accused in parliament by members of Mr Milosevic's Serhian Socialist Party of planning to overthrow the

Ukrainian MPs urged to ratify Start 1 treaty

SENIOR Ukrainian leaders yesterday urged MPs to ratify the Strategic Arms Limitation Treaty (Start 1) on nuclear disarmament on the first day of what is likely to he a protracted parliamentary debate of the issue

The US, which has become increasingly concerned about Kiev's failure to fulfil its pledge to ratify the arms pact, is likely to take heart from the Ukrainian leadershlp's strongly anti-nuclear stance and from the fact that parliament has finally begun to discuss the Start 1 agreement and the nuclear non-proliferation

But they could be concerned at reported remarks by Prime Minister Leonid Kuchma to a in which he said that Ukraine should declare itself a nuclear state and temporarily keep a part of the former Soviet

officials emphasised that the treaties will only be put to a vote after extensive parliamentary debate.

Judging hy the overwhelmingly hostile reaction of MPs to the government's position, Ukrainian officials face an unhill battle.

Western leaders are worried that Ukraina's hesitation to ratify the Start 1 treaty and the associated Lishon protocol, which would remove all nuclear weapons from Ukrainian territory, and to accede to the NPT as a non-nuclear state, could undermine the interna-

tional disarmament process. "Ukraine is acquiring an image as an unreliable partner in international relations," Mr Anatoli Zlenko, foreign minister, told MPs, urging them to ratify the treaties.

There is no doubt that reaction in the West will be decisive in any attempt hy Ukraine to become a nuclear state," he

Dublin to press tax amnesty bill

By Tim Coone in Dublin

THE Irish government is to press ahead with a controversial tax amnesty hill, which will permit tax evaders to repatriate funds held abroad or in oon-resident accounts in Ireland, by paying only a 15 per cent levy in settlement of any outstanding, hut as-yet undeclared tax liabilities prior to April 1991.

The proposal has encountered intense criticism from opposition parties and trade unions as well as discomfort among the cabinet and on the coalition hackhenches for being too lenient. Self-employed and non-PAYE higher rate taxpayers who will be the main henficiaries of the amnesty, will effectively pay less than a third of the original tax liability occurring on previously undeclared income.

The government, however, believes that as much as I£2bn (£1.9bn) could be repatriated to ireland by the measure, further improving liquidity and lowering interest rates, and giving a much-needed boost to economic activity and employ-

ment prospects. Senior officials in the Reve nue Commissioners and the Finance Ministry are believed to have advised against the proposal, concerned that the amnesty, the second on income

tax in five years, will encourage future non-compliance The previous amnesty netted 19500m. Mr Bertie Ahern, the finance minister said in the Dail (parliament) this week that the amnesty will be balanced with a similar amnesty for those working but claiming social welfare, and by harsh penalties including imprisonment, for future tax offenders.

Legislation to effect tha proposal will be presented to the Dail within two weeks, according to the Finance Ministry. and is expected to be on the statute books before the sum-

In another development, the government's taxation policy has been sharply criticised hy the Central Bank, which in its annual report published yesterday said that "a significant part" of the rise in Irish unemployment in the 1980s "was due to factors within the control of the authorities".

Most important of these was the worsening of the tax wedge – the difference between the gross cost of labour to the employer and the employee's take-home pay". The Bank says that there is a need for tax reform "to stimulate the demand for lahour and to

improve work incentives". The report also predicts that lrish gross national product will grow hy 2 per cent in 1993.

'Serb leaders | Swiss pacifist sentiments put to the test

Ian Rodger considers the key issues in Sunday's referendum on defence requirements

N MOST western countries, defence ministry experts are still struggling to assess their future needs in the light of the end of the cold

In Switzerland, where direct democracy is a way of life, the people will decide in two national referendums this Sunday on the purchase of new fighter aircraft for the air force and the allocation of land to the army for training purposes. Of course, a large proportion of the voters has a special

knowledge of, and interest in, the issues; every able bodied adult male serves in the country's militia army for an average of three weeks every two years until he is 50.

If the votes had been held a few months ago, there is little doubt that pacifist sentiment would have carried the day. It was only a year ago

that the Group for a Switzerland without an Army (GSoA) whipped up nearly 200,000 signatures in only 12 days - a record - for its petitioo to hlock the government's plan to huy 34 McDonnell-Douglas F/A-18 fighters for SFr3.5hn (£1.6bn).

"The dangers facing Switzerland now are above all economic, social and ecological," said Mr Andreas Gross, the

tarian who heads the GSoA. "We cannot be threatened militarily except in the context of a European war, and that is implausible," he claimed.

مكرامن الدميل

It was a beguiling argument at a time when the country was in recession, government deficits were ballooning and the collapse of the Soviet threat made the traditional Swiss policy of heavily armed

And the GSoA was thrilled to have an unexpected opportunity to build on its moral vic-tory in a 1989 referendum. Then, to the shock of the military estahlishment, a GSoA plehiscite calling for tha abolition of the army was supported by a third of those voting.

However, with the fighting in Bosnia veering out of control and unnerving racial strife springing up in neighbouring Germany, voter sentiment appears to have changed. Recent polls indicate that a narrow majority of Swiss are probably inclined to agree with their political and military leaders that, as in the past, it would be wise to be prepared for any eventuality.

'At the moment, no one Yugoslavia." The debate in the run-up to threatens us directly," says Mr Jean-François Leuba, a Liberal parliamentarian. "But the situ-



ation can change very rapidly. Who would have imagined that Britain and Argentina would have fought over the Falklands? Nobody foresaw the fall of the Berlin wall or the war in

Sunday's votes has been typically Swiss - gentlemanly and

thorough. The pacifists have argued that no airborne threat could get to Switzerland withthrough allied countries. The military chiefs warned against relying on allies to provide cover and policing of the skies. "If we do not defend our air

Commandant de Corps Fernand Carrel, head of the air force, "And it will do so withaccount," he adds.

Neither side appears to have seriously dented the convictions or the credibility of the other, but that is perhaps in If the votes do go narrowly in favour of the military, the GSoA will be hlamed for having exaggerated the terms of its petition. Not cootent with simply seeking to veto the F/A-18 purchase, it added a clause that would put a moratorium on any fighter purchase

until the year 2000. This has frustrated a large number of Swiss who support the principle of a credible an force hut doubt the wisdom of hnving a very expensive fighter that is unlikely to be able to avoid crossing an international border within only a few seconds of taking off.

Mr Gross denies that the wording of the petition was part of the GSoA's strategy gradually to kill off the army a thousand tiny cuts. Rather, he says disingenu ously, it was to prevent the military from rushing into an alternative aircraft purchase without a full evaluation.

Whatever the outcome, the Swiss will have more opportunities to vote on military mat-ters. The GSoA has petitions in the works to halve annual military spending, now the largest in Europe at SFr750 per capita to reduce the number of air force airports and to eliminate the special tax on those who do

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US coal strike targets Peabody Guatemalan confusion

By Laurie Morse in Chicago

THE United Mine Workers of America expanded its selective strike against US coal operators yesterday, stopping work at Peabody Coal mines in Illinois, Indiana, West Virginia and Ohio. Peabody, the largest coal producer in the US, is a subaidiary of Hanson of the

The union also ordered workers at four mines owned by Consol Energy, which is jointly owned by DuPont and Gernationwide, with the BCOA

many's Rheinbraun, to join companies producing about 17 job security for its members cent of the workforce had been picket lines. companies producing about 17 job security for its members cent of the workforce had been per cent of US coal, mostly in and has accused BCOA companies.

The strike began on May 10 wben national contract negotiations broke down between the union and mine owners represented by the Bituminous Coal Operators' Association.

The dispute is far from shutting down US coal operations. Following yesterday's action, 9,200 UMWA members are on strike, leaving more than 50,000 still working. The union's workers control only

eastern and mid-western

While the percentage of nationwide production under the union's workers is small. coal operations are regional, with customers such as electricity utilities dependent on cheap local sources of coal. Utilities in strike-hit regions have ample coal supplies, but may have to switch to other fuel sources if the dispute drags on, analysts say. The union is seeking greater

nies of evading agreements by using non-unionised subsidiaries to open new mines. It believes that a 1988 agreement with the BCOA guarantees union jobs in new mines.

Mr Thomas Hoffman, BCOA spokesman, said the union's demands were unrea-

"Nobody these days is going to guarantee johs," he said. The coal operators had offered the union three out of five new

Mr Hoffman said there had been no talks between the two sides since the strike began, and none was scheduled. Mr Richard Trumka, UMWA

president, said the BCOA's latest offer "represents an even further pulling back on their commitment to workers".

A union appeal for international support met some success this week when 1,000 miners at Peabody mlnes in Australia went on strike in sympathy with the UMWA_

China to act on illegal emigrants

THE US Coast Guard intercepted two boats trying to smuggle 270 Chinese into California yesterday, coinciding with a Chinese government statement that it had stepped up efforts to halt illegal emi-

gration, AP reports. ments have stepped up efforts to track down the criminal groups organising human smuggling and patrols at see." a Chinese Foreign Ministry

from Mexico or arriving at air-ports with false documents.

Aylwin makes Moscow peace

sin and Chilean President Patricio Aylwin formally bur-ied two decades of hostility between Moscow and Santiago resterday, Reuter reports from

erning future relations and a series of inter-governmental agreements. The meeting capped a general recovery in relations since the departure from power in 1990 of Chilean dictator Augusto Pinochet. Mr Aylwin, who is on a gen-

public relations account to improve Chile's image, the company said, Reuter reports

Holt, Hughes and Stamell said many Americans either did not know where the South American country was or had a bad impression of it because of the 16-year dictatorship of Augusto Pinochet. to confiscate their property.

"The public security depart-

Since January authorities on both sides of the Pacific have intercepted boats carrying about 2,500 Chinese, each of whom had paid or promised amugglers \$20,000-\$30,000 (£13,000-£19,500) to get them into the US illegally. Many others are entering overland

Russia's President Boris Yelt-

The two leaders signed a declaration on principles gov-

eral European tour, is the first Chilean head of state to visit Moscow since the late Marxist President Salvador Allende

Brushing up Chile's image

A small US advertising com-pany has been awarded a \$2m from Portland, Maine.

over Serrano successor

By Edward Oriebas

GUATEMALA'S political system was in confusion vesterday over who would succeed Mr Jorge Serrano, who left the country this week after being deposed as president.

Mr Gustavo Espina, Guatemala'a acting president and former vice-president, was prevented from taking office late on Wednesday night because of congressional opposition. He needed a majority of Congress's 117 members to approve his swearing in, but only 44 turned out in support. Mr Espina delivered a popu-

list speech to Congress calling on it to purge corrupt mem-bers. He said he would donate the president's unaccountable "confidential expenses" - hy which the president buys votes in Congress - to social aer-vices. He asked for his ministerial colleagues to resign.

Mr Serrano attempted to seize authoritarian powers and suspend the constitution last week, but found himself deposed by the military. Instability may grow if the succession issue is not resolved soon. Mr Espina does not appear to

have the support of the private sector, unions or main political parties. "The best thing that Espina can do is resign," said Mr Peter Lamport, a representative of the private sector coalition Cacif.

A constitutional court is examining whether Mr Espl-na's support for Mr Serrano's attempted "self coup" violated the constitution. If it did, Mr Espina would be legally excluded from the presidency.

Mr Edgar Tuna Valladares. attorney general, has opened proceedings against Mr Serrano, Mr Espina and Mr Francisco Perdomo, minister of the interior, "to determine responsibility in the interruption of

constitutional order" The rejection of Mr Espina



in Guatemala City after being prevented from taking office :

has created a problem for the military, which denied on Wednesday that he bad resigned. On Tuesday General José Domingo García Samayoa, defence minister, said Mr Espina would remain acting sident in order to avoid a legal vacuum until a purged

Congress was able to meet and accept his resignation.

The military's ambiguity is said to he causing internal

divisions. But ohservers believe it is unlikely the army will adopt strong-arm tactics after covering its actions until

Salinas pledges crusade against drug traffickers

By Lucy Conger in Mexico City

MEXICO'S President Carlos Salinas has called for a "national crusade" against the drugs trade, promising to establish an élite anti-narcotics unit to fight the war on all fronts, including money laundering and arms trafficking. His call on Wednesday came

nine days after the killing of Roman Catholic Cardinal Juan Jesus Posadas Ocampo, who was shot, apparently by drug traffickers, at Guadalajara air-

The new unit, to be formed by the Attorney-General's office, is to be equipped with the latest technology and

trained in the most sophisticated investigation techniques. Mr Salinas also said he would launch constitutional reforms aimed at toughening penalties against drug criminals and tightening procedures

Meanwhile, the investigation into the murder of Cardinal Posadas unearthed a large tunnel on Wednesday, apparently designed as a conduit for passing drugs under the Mexico-US

large warehouse hy the Tijuana international airport and runs for 350 metres towards a huilding site on the US side of the border.

The tunnel was found as police combed Tijuana looking for gangsters who fled to the border city after the Guadalajara killing.

Growing scepticism over the official explanation of the sbootings at Guadalajara, which claimed seven victims, is increasing pressure on the Salinas administration to pro-

duce results. Roman Catbolic hisbops, opposition politicians and political analysts challenge the government's claim that the cardinal, who died from 14 hul-

let wounds in the chest, was the accidental victim of drug traffickers who mistook him for the leader of one of Mexico's most powerful drug.

Mr Federico Estevez, a politimous Technological Institute of Mexico, said such scepticism fuelled doubts about the government's ability to reign in drug traffickers as well as to control rogue former or present members of the security apparatus.

Drug-related violence has increased sharply in recent months, claiming the lives of a former state prosecutor and magistrate and dozens of others killed in shoot-outs: between rival gangs.

Some observers speculate the cardinal's killing may have been a message from elements in the security forces irritated hy recent measures aimed at combating corruption linked to

US hand stirs controversy in Bolivian election campaign

A ful but intense campaigning, Bollvia's general elections due this Sunday have been hit by last-minute controversy, write Chris Philipsborn and agencies in La Paz. The American embassy in La Paz has gone public in its attempts to force a parliamentary candidate from President Jaima Paz Zamora's ruling coalition to stand down, alleging that he is linked to prominent drug traffickers.

The embassy bas alleged that Mr Guillermo Capobianco, a former interior minister in the current government, received bribes in return for freeing imprisoned drug barons, including the sum of \$100,000 in 1991

So far the candidate of the main opposition MNR party, Mr Gonzalo Sanchez de Lozada, a mining executive with a degree from the University of Chicago, leads in the opinion nolls. However, his main opponent, the country's former dictator General Hugo Banzer Suarez, the ruling coalition

candidate, is catching up fast. The controversy over Mr Capohianco could have an impact on Gen Banzer Suarez's campaign. Mr Capobianco is so far braving the US criticism itself a controversial and risky intervention in the region'a

An estimated 1.8m Bolivians will choose from among 14 different political parties to elect a new president on Sunday. La Paz daily Presencia. Previ-ous courts, beholden to ruling The leading contestants, along with Mr Sancbez de Lozada and Gen Banzer Suarez, are two newer populist politicians - beer magnate Mr Max Fernandez and Mr Carlos Palenque, the owner of a national televi-

However, Bolivia's quirky constitution means the man who gets the most votes in the presidential poll may well not be the next president. If, as is likely, no one candidate secures more than half the

sion and radio station.

Aware of the electorate's growing dissatisfaction with party politics, many presidential candidates have made corruption, education and employment their three main

corruption.

campaign priorities. The new president will inherit a mixed economic picture. The government of President Paz Zamora succeeded in keeping inflation down to 11

political parties, were accused

of widespread favouritism and

vote, congress will decide by per cent last year and to a proj-

Risky intervention in region's politics could affect outcome

aecret hallot in August who should be president from the three leading contenders.

The campaign has so far been largely peaceful in a country once considered the most unstable in Latin America. After 16 governments in 18 years of military rule, ending in 1982, Bolivia has been run by elected governments.

The elections are also being billed as the cleanest in Bolivian history after the naming of a new five-person electoral court with the backing of all political parties. Heading the court is Mr Huascar Cajias, a prominent lawyer, editor and founder of the Roman Catholic ected 9 per cent in 1993. Growth was around 3.4 per cent in 1992. Net reserves are now over \$200m, up from \$23m when Mr Paz Zamora took office in 1989. The government has also passed progressive laws, such as a new mining code facilitating foreign investment.

The state sector is another matter. A privatisation programme begun last year has been disappointing because of the poor quality of the companies on offer. President Paz Zamora has failed to reform the public sector, particularly the state mining corporation Comihol. Depressed world

Comibol may have to close all hnt one of its mining operations by the end of the

15

In part because of the delays in modernising the state, the government has run a fiscal deficit averaging 4 per cent of gross domestic product during the lifetime of the present government. Failure to keep the deficit in check meant Bolivia could not keep to the terms of the fourth year of its extended structural adjustment facility agreement with the International Monetary Fund.

Some economists are also worried about a growing trade deficit; the 1992 shortfall of \$410m was the largest in nearly a decade and the pattern for 1993 suggests more of the sama Bolivia remains dependent

on support from international financial institutions. Thus any future government's room for economic manoeuvre is limited - perhaps as a result of this the declared economic policies of all the main candidates are strikingly similar.

Both Mr Sanchez de Lozada and Gen Banzer Suarez say they are are in favour of what they call "capitalisation" - the hiving off to the private sector of minority stakes in larger state enterprises - rather than full-scale privatisation. Yet all are broadly in favoor of prolonging an austerity programme now in its eighth year.

Clinton in 'lose-lose' dilemma HESE cannot have been the happiest days in the life of Ms Lani Guinier. Lani Guinier has been left another hlack woman would be subject to the sort of public out to dry by the White trial visited on Professor Anita Hill in the hearings on the She spent most of Wednesday talking to leading newspapers and appearing on television making an articulate case for nomination of Judge Clarence House, writes Jurek Martin Thomas to the Supreme Court. But Ms Guinier insisted on ber qualifications as the new Wednesday that, like Mr Bork, she at least should be given assistant attorney general in School with the president and radicalism and ignored their charge of civil rights. She woke the congressional forum to

his wife and became quite close to Mrs Hillary Rodham up yesterday to a united media chorus proclaiming that President Bill Clintou had con-Clinton. They attended her small private wedding in 1986. cluded that her nomination would have to be withdrawn. Their general commitment to civil rights certainly matched hers, if not, as Mr Clinton Mr Clinton, who hadly needs to win some battles, seems to have come round to the view insists, down to the fine print of all her writings. that her nomination had put

It is hard to argue against the proposition that Ms Guihim in a "iose-lose" position and it was merely a matter of nier was left out to dry by the settling on the least bad political option. Either way, his White House. There were White House is again under plenty of early warnings in the conservative media, especially Wall Street Journal editorials, fire for bad judgment and polit-A series of recent actions, that her long academic paper exemplified by the recruitment trail was stirring up opposito the White House of Mr tion, with accusations that she David Gergen, the former was a "quota queen" intent on abandoning the principles of adviser to Republican presideots, suggest a shift back to majority rule for complex proportional formulae. the political centre. But sacrifi-

cing well known heliefs, Comparisons were freely including a very progressive made between her case and record on civil rights, has an that of Mr Robert Bork, the awful air of expediency about conservative academic denied a Supreme Court seat by the Senate in 1987. In both There is also a personal element to the controversy. Ms instances opponents have tar-Guinier went to Yale Law

intellectual qualities. Yet the White House did not press her cause, as the Reagan administration did Mr Bork's, until the bitter end. It did not

Civil rights nomination places

smooth her path by arranging necessary preliminary meetings with swing senators. Perhaps too conscious of the controversy surrounding the recent confirmation to the bousing department of Ms Roberta Achtenberg, who is openly lesbian, it allowed Ms Guinier's critics, who scented blood, to call the tune. Mr Clinton himself came

close to pulling the rug on Wednesday with the most tepld

the laws of the land, with which, as a past legal counsel to the National Association for the Advancement of Colored People (NAACP), she also had considerable familiarity.

But the painful choice has come down to this: to abandon Ms Guinler, offending his lib-

of endorsements. Yet earlier in the week, Ms Janet Reno, the attorney general, had typically stood solidly behind Ms Guinier as "a superb choice". Not for the first time, communications between the White House and justice department seemed lacking.

Senator Joseph Biden, chairman of a finely divided judi-

eral political supporters and fostering the impression that he backs down in the heat of battle, but hoping that Ms Guinier, like Ms Zoe Baird, the first attorney general nominee. is quickly forgotten; or to stick with her, as a friend whose views on civil rights are not far from his own, hut thus risk a hruising public debate at precisely the time he needs to focus on winning the backing of the centre for an acceptable budget package.

explain herself. She main-

tained, with some force, that

the often dense and theoretical

nature of academic writing was no foolproof guide to the practical implementation of

geted their real or imagined

CONTRACTS & TENDERS

Treuhandanstalt The Treuhandanstalt is offering the Auto Trans Berlin GmbH i.L. (ATB)

Herzbergstrasse 105, O-1130 Berlin, with its subsidiary compa Berliner Transport GmbH (BE-TRA), Berliner Spedition und Ferntransport GmbH (BE-SPED) and

Transport- und Gewerbehof GmbH (TUG) in the German capital of Berlin for sale.

Retention of current positions and creation of new jobs in addition to an investment guarantee are expected.

Auto Trans Berlin GmbH i.L.

The company originated in 1990 from the former East German conglomerate Auto Trans, which handled all goods transport in Greater Berlin. This conglomerate consisted of three state-owned businesses which era now the subsidieries BE-TRA, BE-SPED and TUG. The Auto Trans Berlin GmbH (ATB) hes been in liquidation since March 1992. The company currently employs 36 peopla in the commercial and technical area.

Herzbergstrasse 105

Location: The Herzbergstrasse 105 site is located in the Berlin city district of Lichtenberg,

close to the city center. Lichtenberg borders on the city districts of Prenzlauer Barg, Friedrichshain, Treptow, Köpenick, Marzahn and Hohenschönhausen. The site is well-connected to the public utilities network. **Buildings and Grounds:** Total area is ca. 55,725 m²; a partial

list of the buildings on the property:
- eight-story administration building, built 1982, building area: ca. 1,674 m²; • single-story workshop hall, built 1986, building area: ca. 470 m²; single story workshop hall, huilt 1920, huilding area: ca. 1,830 m²; single-story administration building (occupied by BE-TRA), built 1950,

Gross-Berliner Damm 84 O-1197 Berlin

The Gross-Berliner Damm 84 site is located in the Berlin city district of Treptow, on land which was formerly part of the Johannisthal airport. The property is in the middle of a purely commarcial and Industrial area and has excellent connections to local transportation systems: the S-Bahn stations Schöneweide and Adlershof are both just 1.5 km distant; the most important arterial road in southeast Berlin, the Adlergestell, is just a few hundred meters away; and Schönefeld

Buildings and Grounds: Total area equals ca. 164.150 m². The important buildings:
four-story administration building,

built 1917, building area: ca. 820 m²; three-story administration building, built 1979, building area: ca. 520 m²; single-story office and storaga building, built 1940, building area: ca. 98 m²; single-story office, social and storage

building, built 1960/modernized 1990, building area: ca. 313 m²; single-story warehouse, built 1935, building area: ca. 6,125 m2; single-story paint shop, built 1981, building area: ca. 646 m²; single-story warehouse, bullt 1975, building area: ca. 1,444 m²;

single-story repair hall, huilt 1964/modernized 1982, building area: ca. 1.818 m2: single-story repair hall, built 1970, building area: ca. 671 m²; three-story office and workshop building, built 1984, building area:

 petrol station. **Berliner Transport GmbH** (BE-TRA)

Herzbergstra 0-1130 Berlin

Employees: 116.

Transport of foodstuff and perishabla goods; distributor runs in Greater erlin and Brandenburg; transport of hazardous and frozen goods; intercity transport routes. The BE-TRA has 15 franchises for executing intercity transport contracts.

Vehicle fleet: 63 vehicles, primarily 1991 Mercedes-Benz models. Berliner Spedition und Ferntransport GmbH (BE-SPED) Gross-Berliner Damm 84 0-1197 Berlin

Employees: 59.

National intercity transport (complete freight), warehouses. 44 franchises for the transaction of intercity transport.

Vehicle fleet: 47 vehicles, primarily 1991 Mercedes-Benz and Volvo models. Transport- und Gewerbehof

GmbH (TUG) Gross-Berliner Damm 84 O-1197 Berlin Employees: 66.

Transport and distribution of building materials

Local and intercity silo transport

Transport of hulk goods (graval, Transport of asphalt for road construction. Plans are tu expand the service into the areas of building materials

recycling and transfer (ground materials, debris, soil). The TUG has 27 intercity transport franchises. 46 vehicles, primarity 1991 Mercedes-

Benz models. Invest in the new Federal States of Germany.

the purchase of this company. Qualified labour in the region is available to help your business establish a presence

Take advantage of a ready commercial location through

airport is only ca. 8 km from the site. in Germany and Eastern Europe. For property inspection appointments, please contact Ms. Hollwitz, Tel: 49-30/65 22 26 00, Fax: 49-30/5 59 76 32.

Further information about bid submission can be obtained from the Treuhandanstalt, Direktorat U4A,

Telefax: 49-30/3154-1558 or -2903.

Closing date for all bids: 16 July 1993, 12:00 n'clock,

Liquidator Gregor Zinsmelster Friedrichstrasse 180, Room 2095, Q-1080 Berila Telephone: 49-30/2 29 29 45 Telefax: 49-30/2 29 21 65

internal politics.

مكرامن الكميل

Japan to limit still further exports of cars and light commercial vehicles to the EC in 1993, following a significant fall in demand.

Mr Martin Bangemann, EC industry commissioner, has written to Mr Yoshiro Mori, the Japanese minister for trade and industry, requesting urgent talks before the August break, aimed at revising the April deal on 1993 imports. The Japanese agreed

> the past four years, hopes

> have leapt in

recent days

that agreement

is within reach

in the long-stal-

led Uruguay

Round of talks

on global trade

reform. Negotiators who have been to the hrink before, and

failed are inevitably cautious.

obstacles that still have to be

overcome than on the headway

that has been made in recent

months. But as ministers from

the industrialised countries

were being told in Paris this

week how grave the world's

economic problems were, a

mood of negotiators in Paris

There is more talk on the

113,000 vehicles - on the basis of a European Gommission forecast that EG car sales would decline by 6.5 per cent this year.

Mr Bangemann said in April that the figures might need to be revised. Commission officials refuse to forecast the expected decline in the market this year and no figure is mentioned in Mr Bangemann's letter. But the officials point out that new

that sales could decline by as much as 15 per cent over the year.

"It would need an explosion in [EC] demand to meet our original forecasts," one senior Commission official conceded yesterday.

The Commission has come under intense pressure from the EG industry notably Mr Jacques Calvet, head of Peugeot-Citroen of France - and the French, Italian and Spanisb govern-

A four-way open market package is seen as 'within striking distance', writes David Dodwell

day the two sides would have to act quickly if an adjustment was to have an effect.

The April accord was based on the controversial July 1991 "understand-ing" between the EC and Japan. under which the Community pledged to open its market to full competition from Japanese vehicles by the end of

allow for an increase in Japanese exports this year to the five protected EC markets - the UK, France, Spain, Portugal and Italy.

Officials in Brussels expect Japanese manufacturers to compensate for import cuts in the rest of the Community by redirecting EC-made Japanese vehicles - so-called "transplants" - from the protected market to the remaining seven countries. Transplant vehicles are not covered directly by the July 1991 deal but are "taken

A renegotiated accord would still

newsprint prices By Bernard Simon in Toronto whose competitiveness bas been improved by a fall in the WORLD newsprint prices face value of the Swedish krona

and Finnish markka.

Some Scandinavian produc

ers had been hoping for limited

price increases in the second

half of this year if the US market continued to strengthen.

But current North American

production appears to be out-

stripping consumption, especially on the west coast.

An Abitihi-Price official confirmed that "we may see a lit-tle softness in the middle of

the year". The company has

announced that it is shifting

production of two machines at its Iroquois, Ontario, mill from

newsprint to specialty ground

According to Mr John John-

son, analyst at Richardson Greenshields in Vancouver, the

wood papers.

Canadian labour

deal may soften

renewed downward pressure after the expected approval today of a new labour contract by workers at seven Canadian paper mills owned by Abitibi-Union leaders have urged

workers to accept the five-year contract, setting a pattern for other eastern Canadian mills without triggering the work stoppages which usually disrupt newsprint supplies during labour negotiations. Uncertainty over the out-

come of the contract talks has helped push up newsprint demand in recent months. Many North American publishers built up inventories to protect themselves against supply interruptions and a 5-7 per cent cut in discounts imposed by producers in the eastern US and Canada on April 1. An official at Knight-Ridder,

the Mlami-based newspaper group, said the company had 80 days' consumption on hand, against the industry average of 40-45 days.

Strong demand in North America led to a sharp cul in US and Canadian exports to Europe earlier this year. The gap has largely been filled by Scandinavian producers,

New York Times' advertising lineage is 6 per cent lower so far this year than in 1992, while the Los Angeles Times' lineage is down 10 per cent. But newsprint mills, especially in Canada, are running

at full tilt to meet the recent run-up in inventories. The Canadian Pulp and Paper Association will report today that Canadian mills were operating at 99 per cent of capacity in April, up from 78 per cent in July 1992.

Ministerial meeting: Ron Brown, US commerce secretary (left), greets Japan's minister of international trade, Mr Yoshiro Mori, at OECD headquarters in Paris yesterday

Uruguay Round hopes GATT NOT for the in Tokyo in early July.

The aim is to bind the G7 countries into a package of tar-iff cuts in manufactures and services trade, and use this as the springboard for wider mul-

> is for a Uruguay agreement by December 15 this year. Underpinning a quiet, cautious optimism that a deal is within reach is a sequence of negotiations initiated in January this year by Sir Leon. They began on New Year's day in secret talks with Mrs Carla Hills, then the US trade representative. Rather than wrestle with all Uruguay Round issues simultaneously, the two opted to push for a bilateral market access deal that would involve deep tariff cuts in a range of manufactures and services.

Access talks are key to

consensus has appeared that Sir Leon managed to mainreforms under the Uruguay tain momentum in spite of the Round of the General Agreeinevitable hiatus following the ment on Tariffs and Trade change in the US administrahave "crucial relevence" if tion. In Toronto a month ago, early recovery is to he talks were broadened to the "quad" group of the US, the EC, Japan and Canada. Mr Mickey Kantor, US trade representative, caught the Officials remain secretive

when be noted: "We are at last within striking distance of the pharmaceuticals, chemicals, largest market access package steel, construction equipment, medical equipment, spirits, beer, textiles, ceramics, glass-Sir Leon Brittan, his Euro-pean Community counterpart agreed that It is "realistic to ware, paper, wood, electronics, non-ferrous metals, farm equipaim for the outline of an ambiment and scientific equipment. In the services area, it includes tious market access package" by the Group of Seven summit financial services, telecommu-

sual services, and lahour migration. Officials stress that while this covers the sectors under discussion, it is unlikely that agreements can be tilateral agreement. The target reached in all areas. Last week, Japan outlined in

talks with US counterparts new concessions to open up its financial services sector. These proposals were put before EG negotiators in Geneva yesterday. They could be of immense importance in rallying support in Europe and the US for the wider Uruguay Round package since both are expected to gain significantly from liberalisation of financial services.

Perhaps most critically, they could be important in swinging the French government behind an agreement. Fierce French opposition to proposals for reform of farm trade could be offset hy significant liberalisation in financial services, since France is the world's second-largest services exporter.

Sir Leon warned in Paris on Wednesday, at the end of a meeting of "quad" ministers, about the details of the market access package. It embraces that if outline agreement was to be secured before the Tokyo summit "it must involve every participant heing ready to move and do things which will not necessarily be easy".

Notably, the US will need to lower protection for its textiles industry. US negotiators will

also need to assure other G7 countries that they have won unconditional "fast track" authority to present a "take it or leave it" deal to Congress. The EG must cut tariffs on electronics products, and will need to lower harriers to forelgn films and television

Japan is under pressure to open its market to more rice imports, It is understood that no concessions are likely before the G7 summit, though negotiators hope Japan will bend to pressure in the multilateral negotiations that would follow a successful G7 outcome.

programmes,

Between now and the Tokyo summit, negotiators are scheduled to meet virtually nonstop. A critical sequence of meetings in Tokyo culminate

"quad" ministers invited Mr Arthur Dunkel, director general of Gatt, to brief them in Paris this week on how a G7 agreement could be broadened to embrace all 111 Gatt members. Also present in Paris was Mr Peter Sutherland, who is expected to succeed Mr Dunkel at the end of this month, and who would play a critical part in managing multilateral nego-tiations in the wake of the G7 summit

By this stage, a range of new obstacles will face negotiators. The 14 farm produce exporting countries organised into the Cairns Group have already made it clear that the US-EC agreement on farm trade reform reached at Blair House in Washington in November must provide a "rock bottom minimum" for the agriculture section of the Uruguay Round

What is significant is that agreement to be acceptable, quad" ministers invited Mr Japan, which has come under increasing unilateral pressure from the US to set targets for bringing its trade with the US into balance, is spearheading efforts to include in the Uruguay Round package clear commitments to use the multilateral Gatt forum to settle trade disputes. This is aimed in particular at Washington's "Section 301" laws, which are at the heart of an armoury of unilateral trade sanctions that are of increasing concern to US trade

Japan in turn will come under pressure to agree to "tariffication without exception" in the Uruguay Round package - a commitment that would force it to open its domestic rice market to foreign competition, albeit behind high tariff walls.

ECGD resumes export cover to Argentina

Guarantee Department is resuming export insurance cover to Argentina, 11 years after its suspension following the 1982 Falklands conflict and the onset of Argentina's decade-long deht crisis, writes John Barham in Buenos Aires.

Mr Micbael Heseltine, UK trade and industry secretary, who is on an official visit to Argentina, said this had been made possible by the "substantial improvement in the way Argentina has been servicing

British exporters bave been

BRITAIN'S Export Gredits clamouring for ECGD cover as economic conditions improve in Argentina. Although Argentina's free market reforms have led to a substantial Increase in imports, British sales remain depressed; exports rose to £118.7m in 1992 from £69.7m in 1991.

Exporters are likely to be disappointed by the £100m ceiling on coverage and the high premiums, expected to be in the range of 14 per cent. Officials said this reflected Argentina's poor deht repayment record and high risk of insolvency or non-payment.

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EUROPE'S MAJOR MOVERS

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REPUBLIC OF LEBANON MINISTRY OF TRANSPORT COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

BEIRUT INTERNATIONAL AIRPORT PRE-QUALIFICATION OF CONTRACTORS

The Government of Lebanon, represented by the Ministry of Transport and the Council for Development and Reconstruction (CDR), invites applications from suitably qualified building and civil engineering contractors to pre-qualify to tender for the Rehabilitation and Extension of Beirut International Airport .

The Contract will comprise the construction of the following main elements:

- A new west runway (17/35) around 3400 meters long, the strip width is 300 meters and the graded portion of the strip is 210 meters, with approximately 1900 meters projecting into the sea, including marine protection works, all in accordance with international standards.
- Associated taxiways around 16 kms.
- Rehabilitation and extansion of the existing terminal building, for 6 millions passengers per year with an approximate built-up area of 94000 m2.
- Transit Centre of around 32000 m² built-up area comprising a duty free shopping area of around 11000 m² and a ninety room airport hotel.
- VIP terminal building of approximately 2000 m² built-up area.
- General Aviation terminal building of approximately 3000 m² built-up area.
- Air traffic control tower.
- Rahabilitation of five existing buildings, of around 18750 m² built-up area.
- Associated road works, vehicle parks and infrastructure works.
- All navigational aids (NAVAIDS) necessary to operate the airfield and airspace; including DVOR, ILS, surveillance radar, runway lighting, taxiway lighting, etc ...

The construction period is programmed for 48 months.

The tender period will be from 31st of August to Wednesday 29th of December 1993.

Pre-qualification applications must be on tha basis of the pre-qualification document prepared by the Council for Development and Reconstruction, which will be available at the CDR offices against the sum of U.S.\$ Threa Thousand (3000 \$) effective June 7th, 1993 at the following address:

Council for Development and Reconstruction (CDR) Tallet El-Sarait Beirut - Lebanon

Deadline for returning the duly completed pre-qualification document with all relevant supporting material is 12:00 noon (Beirut Local Time) on Friday 30/7/1993.

God-king finds new

role as conciliator

S African all-race poll date set

By Patti Waldmelr and Reuter in Johannesburg

SOUTH AFRICA would go to the polls on April 27 next year in its first all-race elections under a proposal put forward last night hy a multi-party planning committee in the country's democracy negotia-

The 10-member committee presented a draft resolution proposing the date to a 104member negotiating council which will debate the issue. Under the resolution, the council would recommend this date to the higher level negotiating

UN starts

aid appeal

for Angola

By Frances Williams in Geneva

THE United Nations yesterday

launched a \$226m appeal for

humanitarian aid for Angola.

where "on a conservative esti-

mate" 1,000 people a day are

dying from famine and malnu-

trition as a result of the

special envoy for Angola, who

presented the appeal in

Geneva, said afterwards that

dooor nations had pledged an

estimated \$70m in immediate

response, and more had been

Describing Angola as a "for

gotten tragedy", the appeal document said renewed civil

strife had "caused thousands of

deaths, injuries, massive inter-

nal displacement, destitution

of over 2m Angolans, material

deprivation, psychological trauma and the collapse of

social and economic systems".

Miss Anstee said that, in the

absence of a ceasefire between

government forces and Unita

rebeis, the UN was proposing

an emergency plan for one

month as part of the year-long

She dismissed claims by

Unita that the UN was biased

in choosing where to deliver

aid, hut admitted Unita-held

areas were less secure for aid

workers. Unita now controlled

an estimated 75-80 per cent of

Angolan territory, she said.

Miss Margaret Anstee, UN

upsurge in fighting.

'We believe [setting a date] is vital to inject confidence into the negotiation process," the resolution said. "It will send a ray of optimism and hope through the country."

Such a date is likely to be merely a target, however. It would be conditional on agreement in the multi-party talks on an interim constitution. But it will have a psychological impact in a country desperate for signs of a political solution with a promise of stability.

By Steve LeVine in Tashkent

in securities.

THE Uzbekistan government has doubled wages and prices and issued a law halting trade

The changes enacted on

Tuesday are part of continuing

efforts to stave off economic

chaos but still leave Uzbeki-

stan with lower basic prices

than its neighbours, a point the government has stressed to

prevent public opposition.

There has been no noticeable

public reaction to the rises

despite a doubling of bread

prices to Rbs16 and a more

than twofold increase of petrol

prices to Rbs100 a litre from

By Frances Williams in Geneva

THE international treaty to

combat global warming, agreed

a year ago at the Earth Sum-

mit in Rio de Janeiro, could

come into force as early as

mid-1994, United Nations offi-

The treaty, signed by 162 nations, has already secured 21

ratifications out of the 50

required to bring it into effect.

They include the US, Japan

and China, among the higgest

emitters of carbon dioxide and

cials said yesterday.

It does not seem likely that a date on its own, however,

forum due to meet on June 25. international economic sanctions. This would require agreement on an interim executive council to oversee government in the run-up to elec-

> Mr Joe Slovo, South African Communist party leader mandated by the ANC and its allies to introduce the election date resolution, earlier accused some of the negotiating groups of delaying tactics.

"There is a lot of filibustering, there is too much filibustering going on, some of it deliberate to stall the process." A government delegate also would trigger the lifting of expressed anger at slow pro-

Uzbek prices doubled as

water, public transport and

The apparent public accep

tance was probably attribut-

able to the simultaneous dou-

21m people, the most populous

in central Asia, are the latest

in its efforts to retain social

and political stability. Mr Islam Karimov, Uzbek presi-dent, has made it clear he is

not retreating from his eco-

nomic and political policies,

despite complaints from west-

ern governments which have withheld loans and other assis-

This week the government

continued its closed-door trial

Rio summit treaty wins support

other greenhouse gases that

are warming the earth's

gest the earth's average sur-

face temperature will increase

by between 1.5 and 4.5 degrees

centigrade over the next 100

years, which could cause dis-

ruption to farming, desertifica-tion, a higher risk of floods and

storms, and a rise in the sea

The treaty aims to stabilise

greenhouse gas emissions by

developed countries at 1990 lev-

level from melting icecaps.

Climate model forecasts sug-

atmosphere.

Fees were also doubled for of Mr Shukrullo Mirsaidov, for-

The moves by the nation of

bling of state salaries.

share trading halted

sewage services.

were more cautious.

"Unless we move on the question of the form of the (future) state, violence and constitutional principles, there's no point in setting an election date," a delegate from the conservative Zulu-based Inkatha Freedom party said.

Progress was made on Tuesday when inkatha appeared to accept that a final constitution should be written by an elected constituent assembly. However, this later seemed in jeopardy after the party said its central committee had rejected this concession.

mer mayor of the capital of

Tashkent, and rival of Mr Kari-

mov. Mr Mirsaidov faces

charges of "misusing state

The trial, the latest in a

series of cases against Mr Kari-

mov's opponent, appeared to

be a signal that the president

Meanwhile a confusing new

securities law, published on

May 25 in the local newspaper

Pravda Vostoka appears to out-

law the trading of shares and

bank deposit certificates. The

law, a sub-clause in a new

criminal code, banning "specu-

lation in securities" had halted

business at a twice-monthly

would slow but not prevent

further temperature rises.

Treaty commitments will be

reviewed as new evidence

Mr Michael Zammit Cutajar,

executive secretary of the trea-

ty's interim secretariat in

Geneva, said yesterday that

donor countries had indicated

a willingness to put up an addi-tional SDR2bn-SDR3bn (\$2.9bn-

\$4.3bn) for 1994-96 to help

developing nations implement

comes in.

his conservative rivals.

unwilling to tolerate even

Both Mr Slovo and Mr Benny Alexander, general secretary of the radical black Pan Africanist Congress (PAC), condemned the presence outside the conference huilding of about 150 uniformed white ultra-rightists of the Afrikaner Resistance Movement (AWB), some

heavily armed. The PAC and the government adjourned another bilateral session yesterday over a police swcop on PAC members last week and the PAC's refusal to renounce armed struggle. There was no indication of any agreement between the two sides.

Saudis in row over

By Roger Matthews,

SAUDI Arabia, Iran and Libva continued to trade insults yesterday over the conduct of the annual pilgrimage to Mecca to the surface political ten-

Iran again this year attempted to defy the Sandi authorities by using the Haj to stage demonstrations denounce ing the US and Israel. Sandi Arabia yesterday hit back at Iranian reports of a mass demonstration ontside Mecca, describing it as an attempt by extremists to undermine rela-

Libya also kept up its denunciation of Sandi Arabia for refusing to allow its aircraft to fly pilgrims to Mecca, an action taken to comply with UN sanctions imposed as a result of Lihya's alleged involvement in the destruction of a Pan-Am airliner over Scot-

In a bigarre twist at the weekend. Llhva sent nearly 200 pilgrims to visit religious sites in Jerusalem.

pilgrimage

ddle East Editor

which historically has brought sions among the Moslem nations of the Middle East.

as part of the 1991 Paris peace

accords hut abandoned the

idea when it failed to inspire

much enthusiasm among the

foreign countries supporting

the peace plan. However, he

took power yesterday on the

grounds that his authority was

needed to reconcile the coun-

try's rival factions while a new

Basking in his role as concil-

iator, he described himself in

yesterday's statement in

French to his people as "Father

of the Nation, Father of

National Unity, Father of

respected compatriots, l am

very old and sick. But your

untrammelled love, your confi-

dence, your incomparable

faithfulness and your noble

sense of justice towards me

give me the strength to assume

once again the leadership of

Officials of the UN Transi-

tional Authority in Cambodia

(Untac) could barely suppress

our venerated fatherland."

constitution is debated.

National Reconciliation". He said: "My beloved and

tions between the two coun-

Television in Iran had shown hundreds of pilgrims chanting anti-American slogans and claimed that Saudi riot police had surrounded the demonstrators.

their groans. It was not so much that Prince Sihanouk had acted irrationally - his new government is seen as a sensible way of reconciling the royalists and the old commu-



Prince Sihanouk: moment of glory after a 23-year wait

nist administration which between them took most of the votes in the election - as that he had acted hastily.

It was not clear last night if Prince Sihanouk's new govern-ment had even received the endorsement of his son Prince Ranariddh, leader of the royalist party Funcinpec, who is supposed to become senior deputy prime minister due to the party's lead in the election.

Prince Sihanouk certainly did not talk about his plans to Mr Yasushi Akashi, the long-suffering Untac chief.

The prince's attitude towards Untac and the peace plan which he himself helped to negotiate has been typically fickle. He spent most of the past few months at his home in Beijing instead of in Cambodia and at one point withdrew his support from Untac altogether. UN officials were obliged to woo him constantly and UN

Security Council resolutions routinely contained clauses lauding the prince in an attempt to keep him happy. On the eve of the election, when it became obvious that

the polling would go ahead in

spite of Khmer Rouge threats to disrupt it, he suddenly returned home.

And when nearly 90 per cent of registered voters ignored the threats, he reversed his earlier policy of accommodating the Khmer Rouge, saying it was finished.

Prince Sthanouk's performance in his new incarnation as head of state will be judged partly on bow he handles the Khmer Rouge guerrillas, still a powerful military force in parts of the country. Yesterday he again suggested that he might attempt to reintegrate them into Cambodian life. He will also be judged on his attitude towards the democratic institutions which the UN has

tried so hard to introduce. "As Sihanouk's capacity to influence events diminished, so did his interest in governing the country," wrote historian David Chandler in The Tragedy of Cambodian History in a reference to before the coup. "He took refuge in the company of his entourage, in feverish provincial tours, in making films, and occasionally in his passion for haute cuisine."



The view from Jack's front room

Acres of rolling Kent countryside, 560 acres in all at The London Golf Club where Jack is the new Honorary Club Captain.

But Jack's involvement is much more than 'honorary'. For his Golden Bear Company supervised the whole LGC complex and Jack personally designed the 'Heritage' course.

The view from the Long Gallery Bar is breathtaking. But so, too, are the views from the other terraces which help to make the clubhouse something really special. And with internal and external spa baths, an international restaurant and a Teppanyaki Bar, members and their guests will be able to recover from the challenges of the courses in supreme comfort.

Indeed, from the moment members arrive at the LGC they will find a level of service and comfort seldom experienced at other clubs. Their golf bags will be transported from car to starting area. And thee they bave the choice of buggy, caddy or both. Of course, if members want to carry their own golf bags, that's fine too.

There are two magnificent 18-hole courses at LGC. And with 5 tees at each hole, you need never grow bored. In fact, the whole design is geared to providing fun and challenge for low and high handicap players alike.

In Jack Nicklaus's words: "I believe that golf should he more a game of precision than power and that e good golf course would reward the player who uses his mind ahead

of his body strength". It adds up to a golfer's paradise and s room

with a view. And all this is just a short drive (and 3 iron!) from central London.

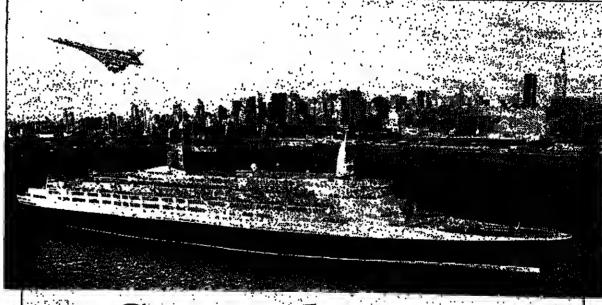
For further information on membership and to arrange your visit around the Club, just 'phone 0474 854466 or fax 0474 854798.



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TIMES FRIDAY JUNE + 199

nds new UK, China resume aliator UK, China resume HK airport talks By Simon Holberton the airport and the railway. in Hong Kong Earlier this week Mr Chen Zou'er, a senior official with

BRITAIN and China resume talks today on Hong Kong's multi-billion dollar airport project amid signs that China might be prepared to agree terms of a new financial pack-

Talks about the financing of the HK\$165bn (£13.9bn) project have heen stalled since last October when Mr Chris Patten, Hong Kong's governor, publicised his plans for the colony's political development.

Although much construction work for the new airport is under way, China has refused to grant approval to the Hong Kong government's plans for financing the Airport Authority, the manager of the new airport, or approve a financial package for funding a planned railway which will connect the airport to Hong Kong's central husiness district.

Since bilateral talks on the colony's political development began more than a month ago, China has removed some of the blocks to Hong Kong's economic development.

This has raised hopes in the

Beijing'a Hong Kong and Macao Affairs Office, said he hoped the airport could be huilt by June 1997, when sovereignty over the colony is transferred from Britain to China.

Mr Chen reiterated China's position that the project should he cost effective and that it should not constitute a financlal burden to the post-1997 government of the colony.

Beijing has come under increasing pressure from the business community in Hong Kong - many of whom have been co-opted by China to advise on Hong Kong affairs - to separata the economic aspects of the colony's future from the bilateral dispute about political development.

Two weeks ago Beijing waved through three busine franchises which span the 1997 change in sovereignty and moved, in short order, to resume talks on the airport and working level discussions within the Joint Liaison Group on other matters relating to the transfer.

Hong Kong government officolony that China may be pre-pared to agree the financing of improvement in the atmocials, while acknowledging the

sphere, aaid they remained unsure whether Beijing wanted to settle the airport dispute before it had settled the issue of Hong Kong's political development.

"It really depends if they want to do a deal or carry on using the airport as a carrot or a stick," said one. "We really do not know,"

A month ago the government ssed to China a third option for financing the airport and its railway.

This provides for a readjust ment of the equity and deht structure of the project in a way the government hopes will meet the concerns that China raised over the previous two Its first financial plan of

March last year envisaged debt for the airport and railway of some HK\$73bn. Its September proposal cut combined deht to HK\$23hn after allowing for an equity injection of HK\$40bn. to be funded equally by the present and future governments of

The third proposal, which is a variation of that of Septemher, provides for less equity and more deht. Details of this option sre heing closely guarded by both sides.

Tokyo believes rise is exaggeration given the appreciation of the yen

Japan's surplus up 14.6% in April

in Tokyo

هكداهن الأحمل

JAPAN'S current account surplus, which this week came in for renewed criticism from the US adminstration, rose by 14.6 per cent to \$11.27hn (£7.8bn) in April compared with the same month last year, the finance ministry said yesterday.

The surge In the Japanese surplus was this week strongly criticised by US officials in Paris for meetings of the Organisation for Economic Co-operation and Development. Mr Lloyd Bentsen, the Treasury secretary said the surplus

was a drag on world and US growth, while Mr Ron Brown, commerce secretary, insisted Washington wanted trade agreements with Japan which would deliver measurable results in cutting the sur-

The current account surplus, which many Tokyo economists believe will reach \$140bn this the most recent rise in the surfinancial year, rose from \$9.8bn last April. The trade surplus jumped by 16 per cent to \$11.71bn from April 1992.

However, the Japanese authorities believe the rise in the surplus in dollar terms is an exaggeration given the recent appreciation of the yen against the dollar. The yen, which closed at Y107.87 to the dollar in Tokyo yesterday, has risen from about Y125 since the turn of the year. Mucb of plus is due to the rise in value of dollar-denominated exports. in yen terms the current account surplus fell hy 3.6 per

cent to Y12,678bn, while the trade surplus was 2.4 per cent down at Y13,168hn in April compared with the same month last year.

In dollar terms exports were 11.9 per cent up in April on a year before at \$29.78bn, while in yen terms they fell by 5.8 ped the increase in imports with were worth \$18bn in April, a 9.4 per cent increase on a year before.

The yen's appreciation has prompted a renewed outflow of long-term capital from Japan. to recycle its trade earnings There was a net outflow of tong-term capitat worth \$7.5bn in April, almost double the amount in April last year. The outflow was mainly due to

Direct investment abroad falls 18%

By Charles Leadbeater

JAPANESE foreign direct investment fell by 18 per cent in 1992 as the down-turn in the Japanese economy and the slump on the Tokyo stock market continued to take its toll on manufacturing companies' ability to finance international ambitions.

Foreign direct investment fell from \$41.6bn (£26.8bn) in 1991 to \$34.138bn In 1992, according to figures published by the finance ministry. In 1990 foreign direct investment from Japan was worth \$56.9bn.

However, the continued steep fall in overseas investment masked important

shifts in the destination of Japanese capital outflows. While investment in the US and Europe fell, investment in Asia rose from \$5.9bn to \$6.4bn. Investment in Asia accounted for 18.8 per cent of all Japanese foreign direct investment, up from 12.4 per cent in 1990.

Over the same period the share of Japanese investment in the the US declined from 45.9 per cent to 40.5 per cent of the total, while Europe's share fell from 25.1 per cent to 20.7 per cent.

Investment in the US dropped from \$18hn in 1991 to \$13.8hn last year. Investment in Europe dropped from \$9.4hn to \$7bn hut the UK maintained its share of Japanese investment.

Japanese companies made 197 direct foreign direct investment, up from 0.8 investments in the UK last year worth per cent in 1990. \$2.9hn, compared with 22 iovestments While Asia is gaining at the expense worth \$3.4bn in 1991, investment in the of the US and Europe, China is the Netherlands fell from \$1.9hn to \$1.4hn,

from \$1.1hn to \$769m and in France it fell from \$817m to \$456m. investment in Asia surged with the scale of investment rising markedly. In 1991 Japanese companies made investments in Asia worth \$5.94bn. Last year they made investments worth \$6.42bn. The main heneficiary was China. Investments there rose from \$579m in 1991 to \$1.07hn last year. China accounted for 3.1 per cent of Japanese

while spending in Germany dropped

overall winner regarding investment within the Asia region. Japanese direct investment fell in Hong Kong, Thailand, Malaysia, Singapore, Taiwan and the Phillipines. Investment hy Japanese manufactur-ing companies fell from \$12.3hn to \$10hn. Chemical industry investment

rose from \$1.6bn in 1991 to just over \$2hn, but electronics industry investment overseas fell from \$2.2hn to \$1.8hn and the automotive industry dropped

Australian package condemned

Aboriginal land deal proposed

By Emilia Tagaza in Melbourne

THE AUSTRALIAN government yesterday proposed a sweeping package to protect private mining and pastoral leases from aboriginal land claims. The 33-point package includes legislation that would valldate land titles issued between 1975 and the end of this month.

The move came on the eve of the first anniversary of a high court decision which, for the first time, acknowledged that indigenous people bad occupied Australia before European settlement and still had rights to the land under common law. Since that decision, aboriginal paring to present claims in var-

ious courts around Australia.
One aboriginal tribe in the state of New South Wales recently lodged a writ calling for the commonwealth and state governments to give up almost a quarter of the state.

The government package also proposes to establish a for-mula under which federal and state governments would share compensation payments to aboriginal groups that might incur losses when leases are granted to private holders. It also calls for the setting up of a special tribunal to deal with aboriginal land claims.

Aboriginal land council officials have called the package a "slimy and useless piece of paper". Meanwhile, the Aboriginal and Torres Strait Islandar Commission insists on veto power over land development, and on mining royalties for development

MR Boh Collins, Australia's transport minister, yesterday

added fuel to an air war

between Australia and the US,

hy accusing US-based Northwest Airlines of falsely report-

ing passenger loads on flights

from Japan, Renter reports

Australia has ordered North-

west this week to cut one of its

three New York-Osaka-Sydney

flights by June 30, saying

Northwest was in breach of an

agreement restricting it to a

maximum 50 per cent of capac-

ity with passengers from

In a tit-for-tat move, the US

ordered Australia's Qantas Air-

ways to withdraw from three

of 10 weekly Sydney-Los

Angeles non-stop services by

Mr Collins said figures show

from Canberra.

the end of June.

on land with native titles. Mr Robert Tickner, the minister for aboriginal affairs, said the package was on the table for discussion. "It is not set in concrete," he said.

The government has already attempted legislation to protect a large development project in the Northern Territory. Last week it supported a local government bill that would override native titles covering leases to a A\$300m (£134m) lead-zinc mining project. The McArthur river project

proposed to be developed by the Australian mining group MIM and its Japanese partners. is expected to earn A\$200m a vear in exports. · Australia's foreign debt as

at the end of the March quarter stood at A\$160.6bn (£72hn), a fall of 3.9 per cent from the figure at the end of the previous December quarter. This was the first quarterly

fall in almost three years and was attributed to debt repayments made by both the public and private sectors taking advantage of lower interest The figure is, however, 7.9 per cent higher than at tha end of the March quarter last year.

Of the net foreign deht, the private sector accounted for 65 per cent or A\$104.6m. The ratio of the net foreign debt to GDP was 40.6 per cent, down 1.9 per cent at the end of

the previous quarter. A permanent reduction in Australia's foreign deht is unlikely in the foreseeable future because of the continuing high current account defi-

Northwest had consistently

breached the agreement for fly-ing passengers to Australia.

Northwest began its three

weekly flights in October 1991

up until April 1993, Osaka-Syd-

ney passengers have averaged 75.6 per cent of those on the board." Mr Collins said in a

However a Northwest

spokesman said the figures

were "warped" and that North-

west bad never claimed to

comply with the order hecause

it did not recognise it under a

Mr Collins also rejected an

Australia argues that North-

west is operating its flights at

the expense of Qantas.

earlier claim by the airline that

it had signed the agreement

1952 treaty.

under duress.

The figures show that since

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People to People Technology

Taiwan eases capital flows

US-Australia air

dispute worsens

may ease restrictions on capital flows as part of the island's financial liberalisation, Reuter

reports from Taipei. The ministry is considering a proposal to allow Taiwanese companies to send investment funds of more than \$5m (£3.2m) out of the country without approval. Remittances totalling less than \$5m a year can already be made freely.

movements, the spokesman

He said the ministry was investment in Taiwan.

TAIWAN'S economics ministry

Companies would still need central bank approval for the outward flows, and the ministry would continue to screen all Taiwanese investments in China because Taipei wanted to prevent excessive capital

also considering proposals to relax restrictions on foreign

Pilots strike threatens to disrupt BA

PILOTS at British Airways, the UK flag carrier, have voted by a massive five to one majority to take strike action over pay

The size of the vote is a further blow to the airline which last night was also facing the prospect of a 24 hour strike today by its 17,000 cabin crew and ground staff. Unions claim the strike could paralyse BA's worldwide operations.

Members of the British Air-

line Pilots Association (Balpa) voted hy 2,152 in favour of industrial action with only 402 against. The turnout among BA's Balpa members was put at 92 per cent.

If the pilots proceed with strike action, even for only 24 hours, all BA's 207 long and short baul aircraft could be grounded and the pilots' union estimates the airline could lose £16m in fares.

Mr Chris Darke, Balpa's gen-eral secretary said last night the ballot result showed "the depth of ill-feeling among our

He added: "The overwhelming majority for strike action indicates pilots are deeply dis-satisfied with the way BA are seeking to impose changes

Mr Darke said he had written to Mr Robert Ayling, BA's chief executive, demanding an immediate resumption of talks

travel plans By Paul Betts, with the company to address the concerns of pilots.

Balpa is concerned at what it

sees as the company's attempt

to divide pilots by introducing

separate contracts of employ-

ment at its new low-cost sub-

sidiary at London Gatwick air-

port, which was set up last

November after BA's take over

of Dan Air. Pilots working at

the former short-haul sched-

uled and charter carrier earn

30 per cent less than pilots

working in BA.
At Gatwick, where former
Dan Air staff have transferred

to BA, 90 pilots voted for strike

action with seven against.
Negotiations, meanwhile,

were continuing last night

between BA and the Transport

and General Workers union to

try and avert a 24-hour strike

by cabin crew and ground

The strike was due to start

at midnight yesterday as part

of a long-running dispute over

the alleged cut in pay and fringe benefits at BA's subsid-

Gatwick Airport is also due

to be affected today by a strike

by BA's 250 white-collar super-

visory, clerical and passenger

Mr David Warhurton, national officer for the

wbite-collar section of the

GMB general union, said: "The

BA strike is designed to cause

least inconvenience to the pub-

lic and maximum embarrass-

service staff.

BRITISH Airways last night started contacting passengers affected by the threatened strike offering them three

Passengers

alternative

offered

These included booking them on an alternative BA flight on a different day; booking them on a flight the same day on another airline; a full refund also valid for non refundable Apex or other promotional fares.

BA carries on average about 70,000 passengers a day on its worldwide network. The airline said last night it would accept responsibility for travel disruptions caused to passen-gers by any industrial action.

Under its contingency plans, BA said it would expect to operate more than half its long haul transcontinental services; 11 of its 150 services to Europe from Heathrow; regional services to overseas destinations. However, there would be no domestic services

from Heathrow or Gatwick.

BA said it did not expect
Concorde flights to be affected with the two daily supersonic services to New York (BA1 and BA3) operating as usual.
On long haul services, BA

would expect to operate one flight to Latin America, two to South Africa with the hulk of long distance flights in the reduced schedule serving the US and the Far East. BA also expects to operate flights to the US from Birmingham and

Invesco MIM fined record £750,000

By Andrew Jack and Robert Peston

INVESCO MIM, the fund management group, has admitted 55 charges of breaching City of London rules and is paying a record fine of £750,000 plus £1.6m in costs associated with the disciplinary action.

The charges, which were brought by Imro, the self-regulating organisation which polices the fund management industry, severely criticise Invesco's internal controls and its compliance procedures up to December 1992. However, Imro and the Securities and

agree that the fund management group has taken steps in changing its management and procedures which should prevent any repetition of

Imro said Invesco breached rules on the handling of client money, that it issued e misleading advertisement, that it supplied unsatisfactory regulatory information, that it carried out business outside of permitted areas, that kept defective records, failed to provide investors with information and that it made unsuit-

Investments Board, which is able investments on behalf of the City's senior regulator, customers.

Three of the charges relate to an Invesco company's conduct in relation to assets belonging to the Mirror Group Pension Scheme, plundered by the lats Mr Robert Maxwell. They say IMM failed to keep Imro informed of its concerns about the way in which the pension fund's assets under IMM's management were being used. They also say IMM failed to disclose to the pension fund trustees on periodic statements that it no longer had custody ing on their behalf.

The SIB said yesterday: "We are very interested in seeking proper redress for Maxwell pension funds". Rather than use its powers under the Financial Services Act to force restitution to Maxwell pensioners, it is putting pressure on invesco and other firms to make contributions to the Maxwell Pensions Unit, which has

Maxwell pensioners.

Mr Charles Brady, executive chairman of Invesco, disclosed that 22 senior executives had left the group.

been set up to raise funds for



AUSTRALIA finished the first day of the First Test of the 57th Ashes series at 242 for five. Michaet Slater scored 58 and Mark Taytor 124 (above) after a rain-delayed start at Old Trafford. Peter Such took three for 54 as England regained the initiative before the close

Arms investigators may question Cardoen

By David Hellier

OFFICIALS investigating UK arms sales to Iraq are considering taking evidence from Mr Carlos Cardoen, the Chilean arms manufacturer, as part of the Scott inquiry into claims that the government breached its own export guidelines.

said yesterday that if the team decided to take evidence from

Mr Cardoen, it would also consider travelling to Chile,

The spokesman was responding to an interview on BBC television this week in which Mr Cardoen said he would be willing to give evidence to the inquiry but was reluctant to travel outside Chile.

Mr Cardoen was involved in the sale of weapons to Iraq dur-ing the Iran-Iraq war and his company worked closely with

Matrix Churchill, the machine tools company at the centre of Britain's arms to Iraq scandal. In the US, the Justice department has filed charges against Mr Cardoen and Teledyne, a California defence contractor.

cluster bombs for Iraq. The Scott inquiry was set up following the collapse of the Matrix Churchill trial. Three executives of the company were acquitted of illegally exporting industrial equipment after it emerged that the intel-The Indictment concerns alleged illegal exports from the lipence services were aware of their activities and that they US to Chile between 1982 and 1989 of zirconium, a metal made by Teledyne. The metal had received encouragement for their exports from Alan was allegedly used to make Clark, then trade minister.

By Tracy Corrigan

THE Board of the London Stock Exchange yesterday endorsed plans for a new trading system to be developed by the Exchange and Andersen Consulting, after Andersen sliced its charges in order to fend off e late bid hy Nasdaq. the US over-the-counter stock

Nasdaq had offered to build a replacement for London's agecutting its own offer to £40m, which inctudes the £15m

the Andersen/stock exchange

system by more than £20m.

ing dealing system, known as into account savings which are Seaq, for £37m, undercutting expected to be generated when

But Andersen fought back by already invested in the development of the system by the stock exchange, so that the net new investment required for the Andersen system was only

Exchange backs Andersen system

These cost calculations take

Names lose **US** hearing on Lloyd's

LLOYD'S of London yesterday claimed victory in an impor-tant legal case brought against it by dissatisfied American Names - the individuals whose assets back the insurance market's business.

Reaffirming a lower court decision by Judge Morris Los-ker on August 18, the US Court of Appeals for the second cir. cuit ruled that US Names should settle their disputes with Lloyd'a of London in the English courts under English

Approximately I20 US Names had argued that the agreements they signed on joining Lloyd's contravened US

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Robert Layle

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securities laws.
In his original verdict Judge
Lasker ruled that the truly international character of membership of Lloyd's of London and the adequacy of remedies afforded to US Name under English law justified enforcement of the members' agreements with Lloyd'a to have any Lloyd's related litigation or arbitration heard in

England. The appeals court also reaffirmed the obligations of Names to arbitrate their disputes with their agents in

In a separate development Lloyd's said insurers had won an appeal in an important US

pollution case.
On Wednesday the US court of appeals for the third circuit upheld a tower court ruling that insurers were not liable for clean up of polychlorinated biphenyls (PCBs) on property owned by the Texas Eastern Transmission Corporation

(TETC).
Potential insurance claims involved are \$750m, of which some \$450m would have hit the London market.

Since 1958 TETC has operated a 10,000 mile-long pipeline delivering natural gas from the Gulf of Mexico to the north-east of the United States.

The PCBs were used as a lubricant. TETC was ordered to clean up these sites and filed suit against its insurers in December 1987 to show that policies issued to it between 1958 and 1987 covered clean-up

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Oetailed information on the relavant colliery and draft tender documentation will subsequently be provided to any party which satislies the requirements specified in the Preliminary Information Pack, which include entering into the letter of undertaking and the provision of the security deposit/bond.

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Quietwaters Hotel, Golf & Country Club

expected to be generated when

the first stages of the system

Some members of the stock

exchange board had forced a

fresh hearing for the Nasdaq

proposal, as confidence in the

Stock Exchange's ability to manage in-house development

projects sagged following the

collapse of its Taurus paperless

settlement system project, at a

are imptemented.

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EFFORTS by senior trade union officials to end the Timex dispute in Dundee suffered a severe setback yesterday when terms hammered out in secret negotiations with the Timex management were angrily rejected by the sacked

A mass meeting addressed by Mr Jimmy Airlle, the Scottish organiser of the AREU engineering union, ended after only half an hour when the dismissed workers unant-

described as "draconian".

The terms would have allowed all dismissed workers to return to work st the printed circuit board factory, subject to their capabilities being assessed, but they would have had to accept pay and conditions amounting to a 27 per cent cut in their remunera-tion and benefits.

Those who wanted would receive statutory redundancy payments, something which Mr Airlie said had never been achieved before after a dispute

mously voted against accepting in which workers had already Dundee's bitter reply threatens to stop the clock

may be the last option for Timex



their hardened attitude after being so long on the picket line. But they may well have also lost the best and only opportunity left open for them to resolva the dispute with some semblance of victory.

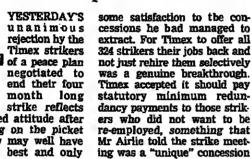
Their derisive thumbs down after less than half an hour of emotional debate comes as a bitter if understandable blow to the AEEU engineering union. Mr Jimmy Airlie, the union's Scottish executive officer, had negotiated in secret as hard as he could with Timex's management over the past fortnight in search of a compro-

strikers in Dundee was the best he thinks he can get. A one year wage freeze was hard for them to swallow, as well as cuts in their fringe ben-

reduction in living standards. But Mr Airlie pointed with

What he presented to the 340 efits, and it was calculated It would amount to a 27 per cent

Robert Taylor says that closure



negotiator. It is now hard for the AEEU's national leadership to know what to do next.

in his long experience as a

For the moment it will stand by its members and keep on paying them each £60 a week under union rules. The AEEU will also do what it can within the law to persuade Timex to scale down the onerous conditions it is demanding for the return of the strikers to work. But none of the full-time offi-

cials Dundee believe they can ensure any kind of victory. The trouble is we are dealing with virgin strikers. They have suffered a grave injustice by all being sacked and they see no good reason why they should compromise to get their old jobs back," said a union offi-

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The Timex dispute, now in its 18th week, escalated after Timex sacked its entire hourly paid workforce of 340 people, 80 per cent of whom are women. after they rejected a peace plan to end an industrial dispute. Timex then hired 290 hourly paid workers who are bused through the picket line to the

After yesterday'a mass meeting the sacked workforce vowed to escalate the dispute. They called the settlement terms "disgusting" and "ridiculous" and chanted: "The work-

ers, united, will never be of its stck pay scheme. The defeated."

مكدامن الأحيل

Mr Airlie said that the settlement terms had been agreed with Timex officials in eight weeks of secret negotiations. Although be could not recommend them he was duty bound to put the package to the sacked workforce.

The company wanted a pay freeze this year with any pay increase in 1994 dependent on the plant making a profit in the first three quarters of the year. The company would cut its pension contribution by 25 per cent, and reduce the scope

subsidy on meals in the canteen would be withdrawn.

Mr Airlie said it was an indication of the strength of feeling of the dismissed workforce that they were "not enticed by redundancy monay which would run into many thonsands of pounds in many

He said that the AEEU would back the sacked workforce within the limits of the law. He said: "If there isn't a negotiated settlement I don't see how Timex can do their business in Dundee.

Timex Europe and manager of point of view we put an honourable proposal on the table to end this dispute and we expect the AEEU to consider

are expected to attend the rally being staged by Militant Labour at the Wembley confer-

Ms Sandra Walker a former convener of shop stewards at the Dundee plant, will appeal for support for the strikers.

business and it also loses

money. As Mr Dryfa explains,

it was mainly for sentimental

reasons that the company

stayed on in Dundee after

shifting its watch production

The strike leaders have often

declared that if they do not

win at Timex they would pre-

to France 10 years ago.

the plant, said: "From our this seriously. The ball is right in their court." Two of the Timex strikers

ence centre tomorrow.

Shell confirmed that it was going ahead with derecognition of the unions for bargaining purposes although workers can still belong to unions. Compnisory rednndancles would be imposed by the end of 1994. The changes were necessary to cnt costs in a depressed European market.
The TGWU is launching a

Britain in brief

Shell jobs

at refinery

plan rejected

Workers at Shell'a Haven oil

refinery in the Thames Estu-

ary have decided to refuse

acceptance of individual con-

tracts of employment and the

derecognition of their union -

the Transport and General

Wnrkers - It was announced.

campaign to persuade Shell to reconsider. This will involve initially lohhying the company, its customers and share-holders.

BT cuts cost of overseas calls

BT cut the price of international calls to EC countries, Canada and the US by between five and 10 per cent, depending on the type of call. It atso extended discounts for higher volume business and residential users.

The changes are in line with a 1991 agreement between the BT and Oftel, the industry regulator, obliging the company to limit the average change in the price of its main services in the year to July to 6.25 per cent helow the rate of inflation.

Manchester gets Rio role

over from Rio de Janeiro as the world focus for action and debate on how to reconcile industrial development with environmental Issues. The main events staged by Rio last year, however, will be split

A government-run confer ence in September will be on how to implement policies agreed st last year's Earth Summit in Rio, while a wider, 10-day Clobal Forum will take

place in June next year. The September conference called Parlnerships for Change, will be held over the three days preceding the meet-ing of the International Olympic Committee which will decide the venue for the 2000 games, for which Manchester is bidding.

Toyota ahead of car target

Toyota, the Japanese carmaker, is planning to produce 100,000 cars in 1994 al its UK plant at Burnaston near Derby, a year ahead of its previously announced schedule.

Mr Tatsuro Toyoda, president of Toyota, said the company was also considering the production of a second model range at the £700m UK plant in addition to the Carina E large family car, which started pro-

duction last year. Toyota has previously announced that it was developing a capacity to build 200,000 cars a year at the Burnaston plant, which will be officially

Caution on home loans

Bullding socielies, the bome loan and savings organisations, will be encouraged not to lend more than 90 per cent of the value of properties, and to be more cantious about borrowers' abitity to repay loans, under regulatory proposals.

Mrs Rosalind Gilmore, chairman of the Building Societies Commission, the regulator, said societies were likely to have to set aside more capital to cover the risk of lending over 90 per cent of the value of properties.

Mrs Cilmore also iold the **Building Societies Association** annual conference in Brighton that they would probably be encouraged to calculate borrowers' ability to repay loans as if mortgage rates were at a minimum of 10 per cent.

Mrs Gilmore's disclosure is likely to add to growing cantion among murtgage lenders about giving mortgages to borrowers who lack substantial savings.

Thumbs down: sacked Timex workers leave a meeting yesterday after rejecting a peace plan worked out by unions and the company

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The resolute stance of the strikers will strengthen the hand of Timex's embattled but firm local manager Mr Peter Hall It was his decision to fire all the workers in January. and replace them with a new labour force, when they refused to accept much smaller cuts in their pay and benefits than are now being demanded of them.

Last night Mr Hall made it clear the company's offer would not be improved.

There have been clear differences of view on how to resolve the strike between Mr Hall and Mr John Dryfe, the US based Timex director responsible for the company's

circuit board business, who was once in charge at Dundee. Mr Hall more than hinted that he wanted to re-employ selectively from the strikers. He had no genuine desire to see all of them back inside the plant, particularly the shop stewards, whom he hlames for the deterioration of industrial relations at Timex.

But when AEEU president Mr Bill Jordan and Mr Airlie made a private appeal to the company Timex decided to see whether a settlement could be

Since January the strike has become a cause celebre, not just in the British labour company has really three options. One is to go on as before recruiting a larger substitute workforce and ignoring the strikers. Another is to go back to the bargaining table with the AEEU and improve

world. Achieving a deal was

seen by some in the company

as an important move in help-

ing to restore Timex's tainted

After yesterday's events the

the offer. But there is also a final one that many in Timex management outside Dundee might start to consider: the closure of the plant.

Circuit board production is movement, but across the not part of the company's core

fer to see the plant closed Manchester officially took If the dispute drags on until the autumn and beyond this may become an increasingly

attractive option for a company that feels hard done hy and believes it has done all it can to resolve one of the bitterest strikes seen in Britain for nearly 20 years.

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JOBS: Harvard professor identifies the mechanisms underlying world-wide organisational disease

NCE upon a time there were seven would-he high-filers employed by seven different companies who went to bed each night feeling utterly miserable. The reason was that although the outfits they worked for were called management consultancies, they were in fact snake pits of organisational politics.

So the seven decided to get together and create the consultancy they had dreamed of in their husiness school days. First and foremost, it would be free from any political writhings to stop expert professionals from spreading their wings.

Sooo new clieots were flocking to join those they had brought with them, and the business was expanding fast. Soon, too, the seven owner-directors were going to bed each night feeling utterly miserable.

The reason was that the consultancy of their dreams had somehow turned into a soake pit as venomous as any of those they had quit. Their internal tanglings were hampering their efforts to serve their respective clients, and their subordinate teams were caught up in the coils. So much so that, despite the directors' practical experience of management as well as their masters' degrees in business administration, the very survival of their company was coming under threat

Then the founder who'd become the chief executive, and another of the

How to escape from the snake pit seven he presumably still trusted, heard that a Harvard professor named Chris

Argyris had studied predicaments like theirs. They therefore took him to lunch, explained the problem as they saw it, and asked what they were so mis-handling as to land their whole organisation in such a pit. His reply, after closer inquiries, was

that the root cause wasn't anything they'd done badly, but something they were doing supremely well. It wasn't surprising they were good at same, he said, because they along with most of the rest of us began learning to do it before they could walk. Nor was their outfit, which happens to be in America, alone in its pickle. His studies show the same sickness afflicts managements not only throughout the sadly imperfect

world, but even in Japan. Since the directors seemed honest in their search for a cure, he added, he might be able to help although it would take some time. They agreed, on strict condition that neither they nor their

company were named. That was in 1986, and the seven and their staff are still at it. True, there is less writhing-the internal threat to the firm's survival, for example, has gone-hut they aren't yet completely cured.

Meanwhile Harvard University's 69year-old professor of education and organizational behaviour has described the exercise to date in a book* which sheds more light on the realities of management than any the Jobs column has read before. In the process, it has produced an addition to the Laws of Organisational Stupidity which I've discussed on occasion recently, the last

time being four weeks ago. What Chris Argyris views as causing the universal sickness, and which he maintains we start practising as we leave the cradle, is a particular response to a certain class of problems: the sort we feel are personally threatening. Our response, which we make with increasing skill, is first to find a way of hy-passing the problem, then cover up the by-pass, then cover up the cover-up...and so on.

The pattern is always the same, the ofessor says, even though it appears under under different guises he terms "defensive routines". Their result is that, instead of being cleared up, the original flaw oot only goes on festering, but its very existence becomes taboo-undiscussable, and so irremediable.

*Knowledge for Action. Jossey-Bass, San Francisco (ISBN 1-55542-519-4) \$29.85.

stupidity called Argyris's Archetype which, in its prototype form at least, rules: The more threatening a problem to those responsible for solving it, the deeper it will be ingrained under ramifying layers of camouflage.

It is more than just an addition to the laws which, as enduring readers may recall, describe patterns of events that tend to bedevil organisations of all types everywhere. For the Archetype explains several of the laws previously codified, and whose baneful effects were demonstrated by the consultancy's owner-directors. A prime example is the Abilene Paradox, stating: People in groups agree on decisions which, as individuals, they know are stupid.

Early on, the chief executive and the other founders separately complained to the professor that their board meetings spent hours on minor matters, quite regardless of the issues which all of them could see were endangering the company. The explanation is surely that the crucial issues, being personally threatening to at least one of the seven. had become undiscussable. So they occupied themselves in collectively agreeing on trivialities, which everyone present knew was a waste of time.

undiscussed outside the boardroom. Elsewhere, when one director was seen as responsible for a problem, others tended not only to blame him behind his back, but to gang up against him. The shifting coalitions that ensued called into play another law called Winkler's Wrecker, which ordains:

Nor did the board-level writhings go un-noticed by subordinate staff. Noting their chiefs' individual sensitivities. they adopted the law named Mangham's Muffler, stating: When communicating to superiors, new news is bad news. The cover-ups on high were thus reinforced by the drying up of any unexpectedly relevant information from below. And while those are not the only laws that follow from Argyris's Archetype, they are enough to explain the existence of snake pits all over the globe.

Division courts disruption.

So how can we climb out of them? Well, the remedy prescribed by the Harvard professor is notoriously hard to digest. The only cure, he says, is for organisations to start learning from the top down - and he doesn't mean simply hy sending their chiefs to husiness schools and the like. In fact, he believes that formal educational processes tend

to make the underlying self-protective sickness not better, but still worse.

In his view, our childhood experience endows us with mentally stored "master programs", one of which prompts us to defend ourselves when we feel under threat. Typically, our later learning including the sort we do with a view in passing exams - results in our being able to execute the programs more and more skilfully, but without changing their content at all. So when we feel personally endangered by a problem at work, we go straight into the by pass and cover-up routine without bothering to consider the likely effects on the organisation, no matter how evident and damaging they become.

To break out of the vicious circle Chris Argyris says, we have to open up our master programs to alterations in the light of experience, by rigorously following certain rules of learning he sets out in the book. One, for instar is never to attribute responsibility for anything to anyone, without testing the truth of that attribution by asking other people, including the person concerned

He readily admits that the task isn't easy. The seven owner-directors toiled at it for 12 months or more without being able to change their behaviour one whit. But they're doing famously a mere seven years later, he adds, and sleeping much more securely as a

Michael Dixon

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be responsible for the administration of notional testing arrangements and the

opproval of public examination syllabuses manage consultations on any future changes to the National Curriculum

support schools in the implementation of the National Curriculum and its assessment.

Appointment: We are looking for a Director of Personnel and Finance, who will report directly to the Chief Executive and will be responsible for:

the management of the Authority's human and financial resources

the development of information and support services.

Previous experience of the monagement of change will be a significant asset. Salary will be in the range $$29,000 \cdot $51,500$, including on Inner Landon Allowance. More may be available for an exceptional candidate. Other benefits include a non-

contributory pension scheme and relocation assistance up to a maximum of £5,000 where appropriate. This post may be offered on a fixed-term renewable contract basis. For further details and an application form, to be returned by 17 June 1993, write to Mick Woolley, the Establishment Unit for SCAA, Newcombe House, 45 Notting Hill Gate, Landon W11 3JB or telephone 071:243 9365.

The SCAA will be an equal opportunities employer. Applications are welcome from all sections of the community.

Dates of appointment: Successful candidates will be expected to take up post as soon as possible, and desirably not later than 1 October 1993.

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Requirements: Advanced university degree in economics, statistics, development economics and international payments. Familiarity with development and planning in the formerly centrally planned economies. At least 16 years of professional experience in the empirical research or a related field. Fluency in English or French, working knowledge of Russian or one more Eastern European language highly desirable.

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Remuneration: Depending on professional background and experience, annual net salary (tax-free) from US \$85,877 without dependents and US \$92,674 with dependents plus corresponding entitlements. Closing date for receipt of applications: 28 June 1993. Applications with full curriculum vitae, including salary history, birth date and nationality, should be sent to: Mr. Valerie Evstigneev, Room S-2535, Recruitment and Placement Division, United Nations, New York, NY 10017, USA. Fax: (212) 963-3134.



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UNIVERSITY OF KENT AT CANTERBURY

Vice-Chancellor

The University Council wither to appoint a successor to Dr David Ingram, CRE, who rezires from the office of Vice-Chancellor on 30th September, 1994, The University council wants to appears a successor to Dr David ingram, BE, who retires from the office of Vice-Chancellor on 30th September, 1994.

The University seeks an outstanding leader, experienced in strategic amagement, with the vision to take it forward in the next period of its evelopment and to build on its international reputation in teaching

and research.

The Senate and the Council have established a Joint Committee to recommend a name to Council for appointment. The Joint Committee to recommend a name to Council for appointment. The Joint Committee invites applications from persons with the occassary personality, qualifications and experience. The Committee would also wish to hear from anyone wishing to suggest names for consideration.

All commonications, including applications, should be sent in confidence to the Pro-Chancellor, The Lord Rubourne, CBE, Chairman

of the Joint Committee, c/o The Registrar's Office, The University, Canterbury, Kent, CT2 7NZ, from whote further information may be obtained. Telephone: (0227) 762349. Faz: (0227) 451684. ing date: 30th June, 1993.

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The University is restructuring its central administrative functions and seeks a person to play a major role in this exercise. Once completed, the new post of Registrar will have responsibility for all administrative arrangements other than Finance and Estates & Buildings.

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Closing date for applications 10th June

London

ACCOUNTANCY COLUMN

'True and fair view' still defies precise definition

Andrew Jack looks at the background to the most powerful and evocative phrase in accountancy

HERE IS a phrase in accountancy just a few words long. which wields tremendous almost religious - power and yet defies precise definition. A new publi-

cation from the Accounting Standards Board this week has vested it with extra authority. It is "a true and fair

would be willing to sacrifice it. But attempts to get people to define what it means lead only to e sharp intake of breath and a marked silence.

True and fair has a long history and considerable current significance. It appears in company legislation. It crops up in the audit reports ettached to British company accounts. It is used to justify deviations from existing rules. It is the ultimate invocation of the high priests of accountancy, a mantra used to explain unusual practices, an elusive concept shrouded in mystique and removed from the sullying influence of the dirty day-to-day practicality of accounting standards. "True and fair is the foundation of

contemporary accounting practice," says Mr Michael Fowle, head of audit at KPMG Peat Marwick. "It doesn't have a meaning which is precise, but you know when you see something that is untrue. It would be difficult in a debate with a client without it, when you just have e feeling in your

waters that something isn't right."
But it is also a phrase open to considerable ahuse. As Christopher Nobes, professor of accounting at the University of Reading, sceptically suggests, the use of the phrase "to present more fairly" in the notes to accounts when diverging from stan-dards is often a clear indication of the

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a Group Financial Controller to essume full responsibility

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complete opposite - that something standards in the eyes of the court.

That may be good news for David Tweedie, but it does little to enlighten

relevance with a legal opinion by Ms Mary Arden, QC, now a judge, published today as an appendix to the Accounting Standards Board's draft 'Foreword to accounting standards".

The Arden opinion is one of the few instances in which lawyers have encroached into the sacrosanct territory of the accountants. The previous example was a similar joint opinion produced by her and Mr Leonard Hoffmann - now also a judge - in 1983, and supplemented a year later.

The new version is a delight to the ears of Mr David Tweedie, chairman of the board. He believes that it invests him with a new-found authority. "It is a great leap forward." he says. "Before we could not move."

The original Hoffmann and Arden

opinion cast donbt on how far the Accounting Standards Committee tha board's predecessor - and the statements of standard accounting practice it produced would be heeded in the courts when considering the "true and fair view" required by com-

pany legislation.
In the subsequent decade, Mary
Arden argues that there has been considerable change. She cites the single court case which has touched on the topic – Lloyd Cheyham v Littlejohn – which vested the old committee with credibility in the ayes of the judge, Mr

Justice Woolf. She argues that the wider funding and meinbership of the Accounting Standards Board compared with the committee - which was essentially controlled by the accountancy profession - will add to the legitimacy of its the uninitiated. In good folksy tradition stories abound over the sacred phrase. An oft-told tale relates how the captain of a ship, exasperated hy

the fondness of his first mate for the bottle, wrote in the log "the mate was drunk last night". To which the mate appended, nursing his morning hangover, "the captain was sober today"

a true but hardly fair statement. In a speech 10 years ago, David

True and fair' remains an elusive rainbow – a beautiful concept, but one difficult to describe and impossible to touch. It has been aptly dubbed 'a term of art'

Fiint, an academic, called the phrase "at the lowest level of its utility, a safety valve, protecting users from bias, inadequacy or deficiency in the rules; a fail-safe device for the unavoidable shortcomings of prescription. Its real utility is in establishing an enduring conceptnal standard . . . to ensure that there is always relevant disclosure based on independent professional judgment."

Yet the phrase, just like the issue of andit negligence, remains all but untested legally, let alone satisfactorily described hy commentators. It remains an elusive rainbow - a beautiful concept, but one which is diffi-cult to describe and impossible to

touch. It has been aptly duhbed "s term of art". Mr Fowle says he would love to see it debated in the courts. "I just wish all the other firms would create the case law."

Mary Arden herself says the phrase is "a dynamic concept . . . subject to continuous rebirth". As a special edition of the European Accounting Review out this month shows, "true and fair" is neither as long-standing over time or as wide-ranging over space as might at first be believed.

Peter Walton from the London School of Ecocomics, shows that "true and fair" was only introduced in the 1947 Companies Act. The 1844 Joint Stock Companies Act first called for e "full and fair" balance sheet, and the 1879 Companies Act for auditors to state whether it gave e "full and correct" view.

It was British pressure thet introduced the concept into the EC's fourth directive, so that the final version in 1978 requires a true and fair view of the company's assets, liabilities, financial position and results.

As other papers in the journal show, how this phrase is translated, let alone interpreted, in the different EC countries, varies widely. It has been in place since 1984 as image fidèle in France, for example, but with no discernible impact. In Britain, "true and fair" is what British accountants declare it to be, hut in the EC. it will be whatever the European Court decides, warns one Ger-

Mr Fowle cites a case of a company which transleted its borrowings in Brazil "wrongly" over several years but in line with accounting standards. He permitted it to continue until the

sum rose to 15 per cent of profits, at which point he threatened to qualify the accounts unless the practice was

changed. The difficulty is that for every such case during the 1980s, there were many more in which clients were able to defy - or even be assisted by their auditors in interpreting stan-

dards strictly by the letter and not by

the spirit of "true and fair". As Mr Chris Swinson, a partner with Stoy Hayward, says: "I feel very uncomfortable with a concept that people find useful in practice but is difficult to define. The impression it gives of absolute truth is not helpful. I have always liked the New World

phrase 'presects fairly' instead."
"True and fair" offers a false sense of security to users of accounts, and a way for accountants to justify their own privileged professional position. That is not to say a thick US-style "rulebook" - the alternative suggested by Mr Tweedie - would be any better.

Legal opinions like Mary Arden's have their uses, but they also have limitations. A recent one hy Mr Richard Sykes for Touche Ross over Trafalgar House's reclassification of assets did nothing to prevent the company being reprimanded by the Finan cial Reporting Review Panel, for

At the moment, the board has a fragile legitimacy for "true and fair" in law which does little to raise it above a meaningless mantra, If it reaches the courts, the hoard had better hope the case goes to the sympa-thetic ears of Mrs Justice Arden and Lords Hoffmann and Woolf in the

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London

The Church Commissioners are responsible for the management of the Church of England's endowments to provide financial support for clergy in parishes throughout the country. They manage a portfolio of property, stocks and shares which produces an annual income of £160 million. This represents about a third of the Church's annual running costs.

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Pemberton, the out-going governor of the Bank of England, recently remarked that "upwardsonly rent review clauses seem designed for a world which had the certainty of an upwards-only pattern of property values", he tooched

a raw nerve. It was "an uninformed, impoverished statement that was greatly damaging to the industry", said Mr John Ritblat, chairman of British Land, the UK's fourth-largest property company by market capitalisation, at about £700m.

But Mr Ritblat can no longer turn a blind eye to what is an increasingly controversial cornerstone of property investment: that the upwards-only rent review is in need of reform.

The origins of the upward-only rent review clauses go back several decades. Until 40 years ago there were virtually no reviews built into leases. Originally leases were for 999 years or 99 years. These treble and double nines were later known as straight leases; that is, the same rent, often a peppercorn, was paid

throughout the entire period.

The fight for stepped increases was launched by property analyst George Bridge of the Legal and General. He was supported by the Coal Board Pension Fund whose prop-erty adviser was Aubrey Orchard-Lisle of Healey and Baker, the property consultants.

Their campaign was prompted by the large number of sales and leasebacks on behalf of the big retailers of the day such as Montague Burton, Charles Clore, Hugh Fraser and Edward Erdman. These retailing tycoons raised large sums hy selling the freebolds of their stores and

Controversial cornerstone leasing them back for 99 years; they

then renegotiated shorter leases. Such activity in retail properties fuelled the initial impetus of the property upsurge of the early 1960s. Retail shares on the stock exchange soared while the shares of property companies climbed to similar levels.

then resold their 99-year leases but

The fact that institutions such as the Coal Board were losing out on the so-called straight leases incensed Mr Bridge.

in the face of fierce opposition from the retailers, Mr Bridge insisted on stepped increases, first every 33 years, then every 21, 14,

The government's consultation paper on commercial property leases underlines the complexity of the arguments surrounding npward-only rent

There is little firm information to enable the claims and counterclaims to be thoroughly assessed,"

the paper states. The paper, which was published last week, states that there is no likelihood of any legislation being passed that would affect existing

But it acknowledges the pressure for reform. "These criticisms [of npward-only rent review clauses) have grown sharply in recent years as clauses have operated to maintain rents above open market rents during the recession," it says. The options for reform range from taking no action to prohibitsound ridiculous to think that we were sweating to get reviews at 33 and 66 years, but in this way we made a start." In fact, property investment companies went much further than the

Uphill battle

institutions, introducing what has

come to be known as the five-year

upwards-only rent review clause.

reviews. There are also some inter-

mediate possibilities, such as allow-

ing rents to move upwards or

downwards on review, providing the rents never fall below the in-

The paper's main criticisms of

upward-only reviews are:

Landlords are in e strong bar-

gaining position when there is a limited supply of suitable property. This prevents tenants from freely

negotiating their leases and forces

them to take on an unreasonable

share of the risk inherent in hold-

• In periods of recession and low

inflation, tenants with existing

leases are locked into higher rents

This now notorious clause was Eric Young, head of the Coal designed not so much to come to terms with inflation but to evaluate Board's property department, the exact amount of rent to be paid remarked years later that: "It may on review, the evaluation heing

The upwards-only rent review is a pillar of property

investment. But it must be reformed, says Charles Gordon

current market rents. The increase in rental values dic-tated by the market could therefore be greater than the rate of inflation. In other words with more demand than supply and with, say, zero inflation, the rent review could still

unable to react to signals. More-

over, upward-only reviews may be

pass the costs of their high over-

assign their leases when rents are

 Since upward-only rent review clauses limit the risk to investors,

they may divert resources away-

The arguments in defence of

from other sectors of the economy.

apward-only rent reviews are:

heads on to consumers.

Moreover, if the upwards-only review clause had been inflationlinked as is customary on the continent and not upon "comparables" (only new leases being subject to market forces), this would also have brought to an end the expensive renegotiations on "comparables"

based upon "comparables", that is every five years. This argument every five years over reviewing "comparables" has been e curse of the property industry.

 Upward-only rent reviews have come a standard feature because they serve the interests of the market as a whole. They strike a bal-ance between the risk of the landthan tenants taking new leases. In these circumstances, the market is lord and his financial backers on one hand, and tenants on the other. · Rather than being inflationary, inflationary if tenants are able to npward-only rent reviews may allow rents to be set lower than they would otherwise be because of • The npward-only rent reviews the value of the clause to landlords. inhihit free choice because they By reducing market uncertainty may make it difficult for tenants to they may also restrain rents and se stimulate investment and supply.

• Any statutory regulation would inhihit the free operation of the falling. They may also lead to a higher level of insolvencies among

market. Abolition of upward-only rent review clauses might hit capital values, which would be inequitable; such a move would also be deflationary as it would reduce the value of collateral against which

So whereas the original institutional pioneers fought to seek redress against inflation, property owners, characteristically, went straight for market forces. They did well and continued to do so until the property crash of the early

Market forces have since caused havoc and we are now enduring possibly the worst property slump for some six decades.

Landlord power is much reduced; tenant power is strident, making exceptional demands and obtaining unprecedented concessions. Undue tenant power is poison to a well-regulated property investment market and, ominously, there are signs of long-term structural changes hreak clauses, short-term leases, and, for the first time, upwards and downwards rent review clauses.

The upwards-only rent review has become academic, at least for the foreseeable future. And with the relatively new phenomenon of over-renting - where the current rent is substantially more than the actual rental value - income from property investment has become more like fixed-interest stock, while purchases and sales have become more like financial transactions than property deals. Many institutions and entrepreneurs must be wondering why they ever went into

Institutions which were attracted to property investment for its long-term combination of rising income plus capital appreciation are now wary of relying on what many believed to be inevitable

rental increases. Their aums will need to be-reworked ou the basis that property investment, the hybrid between fixed interest and equities, is, in today's global markets, more attractive as a fixed-interest stock than as an equity.

The upwards-only rent review. the reviled equity aspect of property investment, will prove to be of lesser importance than a higher initial yield and the original sim to counter inflation may become the yardstick instead of "comparables" The governor of the hank of England may yet have the fast

Charles Gordon is the author of The Cedar Story, an account of the UK property crash of the early 1970s.

Source: IPD Monthly Index, Investment Property Databank

	Reta		Offic	ce	Indus	trief	All
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Capital growth	-3.3	. 0.0	-125	-0.9	-8.7	-0.5	-7.7 82
Cotal ristum	4.5	0.7	-3.7	0.5	0.9	0.4	0.9 0.5
Arrest yields	9.0		10.3		11.5		10.0

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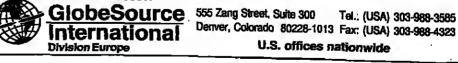


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Their same and need to reworked on the basis that the investment the hybrid between the hybri tone in Kent to Calais in northern France where he is the Eurotunnel manager responsible for day-to-day fixed interest and county to the as a fixed matter stock has maintenance of the company's wagon and locomotive fleet. Next year, when the tunnel operator finally starts running train services The upwards only fent top between Britain and France, he will the upwares the ten ten the revised of home investment, with proce to be designed in the control of the control be responsible for a staff of 160, most of them French.

Quite apart from its continuing headsches dealing with combative contractors and nervous banks, one of the big challenges for Eurotunnel at the moment is to mould Randall and other senior managers into a new breed of cross-Channel executive. Eurotunnel's workforce is split evenly between British and French workers with different languages, cultures and lifestyles - but when It comes to senior jobs the group is anxious not to be overly influenced by a candidate's background.

Yves-Noel Derenne, Eurotunnel's director of human resources, says: "The aim is not to recruit a particular nationality for a particular post, but to get the right person for the job, whether they be British, French, German or from some other country. There will be some jobs, however, which we would expect to be filled by one nationality rather than another. The servicing of rolling stock (because this is based in France) would naturally fall into this category. Headquarters for security, on the other hand, will be based in Britain."

Not all jobs will divide so evenly. Engine drivers taking the 50km journey between the British and French terminals will be expected to be bi-lingual and will be drawn from both countries. Traffic controllers will also need to be fluent in English and French. The main control tower will be at Folkestone, but with a back-up in France. Staff working on a rota will switch regularly between Britain and

France. Even at the top - where national sensitivities are often greatest - the company has tried to choose the best people for the job. Among the five senior executive directors there are admittedly two Frenchmen and two Britons - one of whom, chief executive Sir Alasteir Morton, was raised in South Africa - but Frank Cain, on secondment from engineering group Bechtel to run the construction side, is American.

Eurotunnel's workforce, small during the construction phase, is growing rapidly and currently stands at 900, more than doubla-



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Breaking the executive mould

Andrew Taylor examines Eurotunnel's plans for a common corporate culture

that of a year ago. Eventually this will rise to 2,650 of which more than 90 per cent will be drawn from Britain and France. A small number of mostly sales staff will be based in other European countries.

Alain Bertrand, Eurotunnel's chief executive in charge of transport operations, says: "We do not want a competitive culture to develop, Britain versus France. Unlike other bi-national or multinational companies, which have separate management operations in different countries, we supply a single service irrespective of which country the customer comes from.
"It is important, therefore, that

we establish a single management structure and corporate culture in which safety and customer service are the main driving force rather than nationalism." The ability to provide information

to customers is very important: "All employees in contact with customers will have the equivalent of at least two weeks of language train-

their job rather than speak flueot

ing," says Bertrand.
The aim will be to provide them with the basic phrases to cope with

English or French. Staff who want for staff. Eurotunnel has decided to to improve further their language skills or switch from one country to another will be encouraged.

Language training is more intense for managers or engineers who need to be able to converse freely in English and French. Some of thesa are sent to live with English or French families while they attend intensive language courses for up to four weeks at a cost of £1,100 a week including accommodation.

Language is just one problem: There are different laws and cultures affecting employees in Britain and France," says Derenne. "Some multi-national companies adopt the laws of whichever country they happen to be operating in. This is not feasible or desirable for us. We have decided to adopt a common corporate policy based on a combi-nation of British and French laws, whichever works to the best advantage of employees.

French companies, for example, are expected to establish works councils, comprised of workers representatives and management, to discuss problems and improvements

establish a group-wide works council covering both French and Brit-ish workers," says Derenne.

MANAGEMENT

Cultural differences, of course, will not be so easy to reconcile. As Randall points out: "Britons like to go out for a drink after work. The French by comparison like to go home to their families first and may go out later."

in other respects, though, it will probably be a question of getting used to local custom.

Management in France, he says, tends not to advertise posts internally as is done in many British companies. Instead they will just promote the person they think most suitable for the job. But the result in most cases is the same.

Despite these cultural and some-times procedural differences, Randall says that most of the problems brought to him are similar to those 'he faced when a depot manager at Slade Green. "Staff want to know how much

they will be paid, what holiday entitlement there is, what are the promotional opportunities and what happens when they are sick?"

CHRISTOPHER LORENZ

Time for Cadbury to tackle high pay



ally breathe a sigh of reliaf. The flood of annual reports becomes a trickle, ending the now eustomary "open season" for attacks

on newly disclosed top pay rises. Company directors look forward to six months of gold-plated peace. Bnt 1993 may prove far less comfortable. This is not just because lower company performance seems to have given more than a quarter of them smaller bonuses, or none at all. Far more painful is that the pay controversy has ceased to preoccupy merely the meddlesome but ephemara-

minded media.

Instead, institutional shareholders are suddenly up in arms. From having always turned a blind eye, or cursed quietly behind the scenes, a bunch of activist institutions has burst noisely into public view. They were on TV last Sunday, demanding an end to various abuses and to the lax and overlong executive contracts which belp create them.

Until recently, most representatives of the business world, other than the ontspoken new head of the Institute of Management, were equally reticent. Then came last month's remarkable assault on his fellow bosses by Sir Owen Green, for decades one of the UK's most respected chairmen. He attacked them for "awarding themselves huge pay rises", no matter how well or badly their company performs - or how small a rise they give to the rest of their staff.

Inevitably, Sir Owen's onslaught has lent weight to misguided media criticism of almost any sizeabla pay rise, however well justified. Obvious examples include the promotional increases announced in May for the new heads of de-merged ICI and Zeneca. But in many cases the general

opprobrium is well justified. Take the string of over-the-top pay-offs to failed executives which bave been disclosed to recent weeks, to the fury of reformist Institutions. Then there was the golden "hello again" for Gerald Ronson:

AS spring gives an absurdly generous five-year way to summar, cootract worth £4.4m for the head of the receivership-threatened property group - fresh from his ignominious part in the Guinness affair, for which he was imprisoned and fined 25m. Institutional ire was stoked by the fact that the deal was approved by a bunch of supposedly upstanding banks and accounting firms.

Just as questionable and illuminating of the inadequacy of British corporate governanca over such matters, was the ultra-generous pension enhancements and consultancy deal given to tha recently retired – and highly respectable – head of Guinness. It was piquant, to say the least, to see these arrangements being defended at the annual shareholders meeting last week by no less a figure than the former chairman of Rolls Royce Motors, who heads

Shareholders are suddenly up in arms and activist institutions have

burst into public view

tha committee of non-executiva

directors which sets executive pay

levels at Guinness. Remuneration committees domi-

nated by non-execs hava been touted by the establishment for years as the answer to pay abuses in British boardrooms. But how can anyone seriously have faith in a system where one highly-paid baroo, no matter how respected, sits in judgment on another?

Which brings us to the Cadbury Committee on corporate governance. Though its Code of Practice takes effect on July 1, its work is far from done. Through a sub-committee which will meet to monitor compliance with the Code, it has tha muscle to Issna further "recommendations" whenever it likes over the next two years.

In order to foster outside support for the rest of its Code last year, the Committee pulled its punches on pay. This was in spite of pressure from certain institu-tions and some of its members, to have directors' pay made subject

the argument that It did not see "how these suggestions could be made workable". What would happen if someone's package were voted down? And wouldn't execu-tives be reluctant to join the company if approval were uncertain?

These excuses were always feeble. The new force of outside pressures means the Committee can now abandon them. It has no choice but to do so if it wishes to anticipate, and avoid, what Its chairman called last Sunday "the heavy hand of regulation".

As soon as possible, Cadbury should adopt this agenda: Clarify that its recommended three-year limit on service contracts excludes rolling ones. Better still, reduce the term to two. Make its call last year for "full disclosure" mean what it says by borrowing the new formula of the US Securities and Exchange Commission. This requires the disclosure, in great detail, of each ele-ment of the "compensation package" of the five highest-paid

executives; Cadbury requires far less data and about only the chairman and one other. Submit each person's package to shareholder vote. If this year's US experience is anything to go by, few packages would cause problems. Instead, companies would be forced to do their homework carefully in advance, tailoring packages within bonnds of acceptability laid down by institutional shareholders, either in direct discussion or via specialist

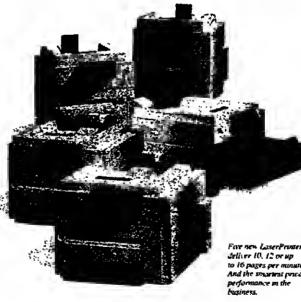
now booming in America. In such an environment, only the most crass of top managers would be loath to join a company before their packages were

consultants - whose business is

 If, through poor anticipation or oversight, the occasional package was voted down, the executive concerned would revert to his or her previous year's arrangements or be put on an equivalent of the UK Inland Revenue's emergency tax coding.

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Making the write impression

Do you need to dash off a quick note to creditors, angry custom or your bank manager? Or do yon have to phrase a tactful

redundancy letter? CCA Software believes it can save small companies an average of eight man-hours a week with its new software package for writing letters quickly and correctly. The latter aspect is highlighted by CCA, which notes that sub-standard letters cost UK business millions of pounds

a year in lost orders. CCA's Effective Letters ackage, with a database of 400 letters, aims to cover almost all the correspondence needs of companies. It is compatible with all leading word processing software. "What we have set out to do is try to assist firms to fight back against the serious decline in the standards of correspondence," says Mike Cowley, a CCA director.

Effective Letters costs £29.95 plus VAT, with £1.50 postage and packaging. CCA hopes to bring out foreign language versions. CCA: UK, 061 480 9811.

Tapping the phone lines for data

A wealth of business and financial information can be accessed from any UK telephone socket through a new interactive communications system, writes Ian Holdsworth,

Up to 45 services, including information on share prices in Dublin and London, credit ratings and company reports from Dun & Bradstreet and botel and travel bookings, are available from the Network North system, a joint venture between ICL and Belfast-based CFM computer

The network, accessed through small terminal which plugs into a phone point, also offers

telebanking and teleshopping. Developed with help from British Telecom Northern Ireland, it can link into similar systems in other European countries.

Terminals cost £7.50 a month to rent. They can be bought for £120 in Northern Ireland with an EC subsidy or £240 in the rest of the UK. Network subscription is up to £40 a year and most services are charged at 6-15p per minute. Software to convert a PC into a network terminal costs £25. Network North: UK, 0265

Knowing the laws of know-how

Some western companies which plunged into central and eastern Europe when communist regime crumbled are now hardened or disillusioned by the reallties of

doing husiness there.
For investors still determined to succeed, Baker & McKenzie, the worldwide legal firm, has produced a guide to intellectual property laws in Russia, Laivia, Lithuania, Estonia, Ukraine, Hungary, Poland and the Czech and Slovak republics.

"The continued growth of economic activity depends upon the flow of ideas, of technology, as much as on the flow of goods, says the free booklet. Baker & McKeuzie: UK, 071

Big Brother is watching

Sales staff, traders, and analysts in banks and securities houses are used to having their performance monitored - hut probably not to the extent envisaged by Synchronocity, a London-based software house. At a glance, managers using its Profit-Line system can see on screen the cost, performance and profit ratios of their employees and decide how best to direct their efforts and make them most productive. The

information can be viewed in grid format, against time taker for work, or ranked by performance, with the analysis carried out hourly, daily, weekly and monthly and targetted to sales employee, customer, analyst, trader or deal.

Synchronicity claims one decision made with Profit-Line's analysis could save far more than its £10,000 cost. Synchronicity: UK, 071 729 6404.



A DECADE of work by Vatican restorers has removed nearly five centuries of ancient and modern grime from Micbelangelo's frescoes in the Sistine Chapel, writes Andrew Baxter.

But now that the frescoes are clean, bow can they be kept so when subjected to the breath and body heat of 2m visitors each year? Today, Pope John Paul II officially accepts the answer - a completed air treatment system for the Sistine Chapel from William Frago, president of Carrier, the world's largest air conditioning manufacturer.

Vatican's own experts have gone into designing a system that is effective and discreet. Temperature and air flow studies indicated that warm, moist air was rising up towards the ceiling every morning as doors opened and visitors flowed in. The warm air spread across the ceiling, then cooled and descended, leaving behind moisture and dirt on the frescoes. Excessive moisture would encourage the growth of mould and the formation of salt deposits.

Years of research by Carrier of the US and the

The solution, therefore, was to install a system that provided a clean, stable microclimate for the frescoes. Control of relative humidity is the most important aim, because large swings allow water movement into and out of the plaster. Minimising overall temperature differences reduces expansion and contraction of the fresco material.

A Carrier air handling unit delivers fresh air which has been filtered, wasbed and processed before entering the Chapel through diffusers under the south windows. about 15m up. These create two air flows, one of low velocity which flows over the surface of the frescoes, and a second which effectively bathes visitors with a "shower" of clean air at floor level, where the air is extracted. The windows will remain closed to Rome's noise and pollution.

Two computer terminals, one in the Vatican's energy centre and the other with the restoration scientists, allow information from the system to be stored and evaluated, to ensure the frescoes retain their new-found sparkle.

Teeing off with virtual golf

Japan's players are competing on screen, says Michiyo Nakamoto

apan's golf lovers cannot seem to get enough of the game despite the high prices and the multiple images that are captured are then sent to an image interpreter connected to a comtraffic jams they must bear to indulge their passion.

Technology, however, has stepped in to take some of the trouble away for the avid golfer intent on conquering his favourite course complete with lakes, trees

The Tour Simulator golf machine developed by Mizuno, a Japanese sports goods company. recreates a round of golf on famous courses, taking the player from starting tee to finishing green with the help of a screen. two computers, cameras and a aser disc player. The system can be set up in any room hig enough to allow four players to hit a golf ball against the 3m-high canvas

The game starts with the players choosing one of the courses Mizuno has captured on laser disc in 3,600 photographic images, or 200 photographs per hole.

A long-distance view of the course comes on screen. Players choose how many holes they want to play, the tee position and even the speed and direction of the

wind they prefer to battle against. When the first hole comes on screen a voice describes the hole and offers advice on how best to tackle it. After the player has hit the ball, it is shown on the screen as it flies through the air and lands somewhere on the fairway.

For the visual representation of

the ball's flight, the screen uses data provided by a computer which has calculated exactly how and where the ball would have flown, depending on the strength and angle of the player's stroke.

When the player hits the ball, his swing is photographed by two cameras using high-speed shutters. One of the cameras is set up to the side of the player to capture the speed and angle of the ball while the other camera is fixed to the ceiling and captures the direction of the ball from above.

A microphone on the ground hy the tee alerts the camera as the player hits the ball and triggers a high-speed strobe light which flashes several times per second.

The computer analyses the speed of the ball and the distance travelled. It then tells with the laser disc player (which stores images of the golf course) where the ball should have landed based on data such as the angle at which the ball was hit, the speed and direction of the ball, and the chosen speed and strength of the

Using that data, the laser dis player chooses a view of the golf course where the ball should have landed and projects It on to the

The distance to the hole and the player's score up to that point are iven on the screen.

There are other treats such as contours that faithfully recreate each particular green on the chosen course and a movable tee to simulate the difficulty of hitting a hall that has landed in the

If the ball should, according to the computer's calculations, have landed in the lake, the screen image and sound of splashing water will recreate that, too.

The system uses conventional 16-bit computers with software developed specially by Mizuno's engineering and development department, a division of the company which also developed shoes for the athlete Carl Lewis.

Mizuno engineers took a year to develop the virtual golf system, which costs Y13m (£78,000) and has been installed in 40 places throughout the country. Similar systems have been developed by other manufacturers.

But virtual golf is not a Japanese idea. It was thought up in the US by Ingolf of California to enable golfers to practise swings in their garages, Ingolf, also active in Japan, now plans to link up its indoor golfing plazas around the world by satellite and computer networks so that teams can play each other.

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Considering the size of the average Japanese home, the next high-tech hit in Japan might be a vir-

PEOPLE

Pennell takes on the privatisation of British Coal

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City headuranters

Whatever problems Christopher Pennell faces as the new head of privatisation at British Coal he will not have to spend much time getting to know his opposite numbers in the Department of Trade and Industry and at Samuel Montagu, British Coal's advisers. Pennell, 45, was educated at

Oxford as was Peter Loughead, 42, head of the coal privatisation unit at the DTI. Meanwhile, Pennell did a stint as principal private secretary to former National Coal Board chairman Lord Ezra, as did Peter Jones, 39, who is now on the Samuel Montagu team.

Compared with his last job of looking after British Coal's £1bn-a-year purchasing budget, Pennell's new privatisation

unit is very small. Instead of 1,100 staff he will have just five people working with him, although he will be calling on the resources of the rest of the corporation. The two other key British Coal officials are Ian Forrest, 45, and David Merrick. 45. All three men are British Coal veterans, as is Ray Proctor, 48, British Coal's new finance director, who will retain overall responsibility for

privatisation at board level. Pennell, who will spllt his time between his base at Eastwood Hall in Nottingham and British Coal's London headquarters, divides his new job into three sections. The first, and "most pressing" part is to deal with the 20 collieries that

are being closed down and



offered for sale. Four collieries have been advertised already and Pennell's team will look after the tendering process. The second part of Pennell's joh will be to see whether it is possible to privatise any standalone parts of British Coalahead of full privatisation. But the main part of Pennell's jobwill be to drive British Coal's side in the government's planned privatisation. The difference here is that It will be the government, and not British Coal, which is the vendor.

Unlike other nationalised industries that were privatised, such as British Telecom, Pennell does not think there is much chance that British Coal will be floated on the stock. market. He believes it is more likely that it will be privatised through a trade sale of all or parts of the business.

Scottish Office servant to head Whisky Association

Scotch Association, which spends most of its time lobbying the British and other governments on behalf of the Scotch whisky industry, is appointing Hugh Morison, a senior civil servant at the Scottish Office, as Its new director-general. He will succeed Bill Bewsher, who has been director general for 21 years, when he retires at the

end of the year.
Morison, 49, is currently under-secretary at the Scottish Office Industry Department, concerned mainly with assisting Scottish companies.
As with other officials who

have made their way up the Scottish Office, he has worked in several of its departments. But, he says, he has got a "real buzz" recently from dealing with the private sector. He decided to join the SWA when he learned that, in his next Scottish Office post, he would not deal with economic issues. Morison is a Scot though he

was born in Bognor Regis: "My family was part of the Scottish diaspora." He was a non-executive director of Weir Group. the Glasgow-based engineering company, under the scheme whereby civil servants and private sector companies are encouraged to become better acquainted Bewsher, his predecessor,

has combined the doggedness of a lobbyist with a gift for getting on with almost everyone, from the gentry (of which he is a member) downwards. While Bewsher has run the

SWA, it has won cases in the European Court of Justice against France, Italy, Denmark, Ireland and Greece over discriminatory treatment of whisky. In 1987 it achieved a GATT ruling against Japan's highly protectionist spirits regime. The whisky industry. he argues, needs someone "who knows at first hand the machinery of govern-

Nomura International replaces its president Nomura International, which

has experienced a difficult year with the flop of the GPA flotation as well as hefty staff reductions at the end of last year, sees its president, Talzo Kondo, moving to Hong Kong and replaced by his deputy. Takashi Tsutsui. Nomura stresses the shift is

routine, part of the rotation of senior executives, and that it "would be a mistake" to make any connection with the GPA flasco, in which Nomura acted as global co-ordinator in the aborted \$800m issue. "He has done his normal tour of duty," spokesman added.

But it has been a tough year for the London end of Japan's largest securities house. Unofficial estimates of results for the year ended March 1993 published on Wednesday in the Nihon Keizai Shimbun newspaper say Nomura International lost Y6.55bn (\$60.8m), after a Y1.18bn (\$11m) profit in the previous 12 months.

Kondo. 44. moved to London in 1989 as deputy managing director of Nomura International. He became president in March 1991, when he also joined the main board of parent Nomura Securities.

Meanwhile, co-president John Howland-Jackson stepped down in January to join Nat-West Markets. Nomura says it is looking outside the organisation for a senior European executive to replace him.

Tsutsui, 43, deputy president since early last year, has been in London since mid-1991. Unlike Kondo, he is not yet a hoard membar of Nomura Securities.

Kondo's new joh is as head of the Asia and Oceania division. Whilst outside observers questioned whether this represented a promotion, Nomura responded that the position entailed responsibility for a geographically larger, and considerably more profitable, area of the group.



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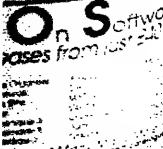
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THE TANK Of GLILL met year A lane" s Tresmarries for 1381 hrg. B. IN The **新华斯·** MANAGETÄ.

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wonder Mak - has just re-opened in Vienna after extensive refurbishing. Mak is the acronym for the Austrian Museum of Applied Arts and, inspired by radical concepts of museum presentation, 11 artists have been brought in to design the new

> daring, controversial and beautiful.
> This is the latest in a series of museum and historic huilding renovations (the Albertina is the next in line) which have returned Vienna to a state of magnificence. Mak, however, is not just a refurbished building but an innovative and informed response to the big museum question: how to make a historic collection relevant to present day concerns.

> Originally named the "Austrian Museum for Art and Industry" in 1864, the museum was modelled on London's Victoria and Albert Museum and housed in a custom-designed neo-Renaissance building on the Stubenring. As well as its magnificent furniture, woodwork, glass and ceramics it has valuable Islamic and East Asian art and carpets and a large library and archive, including that of the Wiener Werkstätte. Since the appointment of Peter Noever as director in 1986, contemporary exhibitions and installations by international artists have made this one of Vienna's liveli-est venues. Magdalena Jetelov, some years ago filled the decaying central courtyard with mounds of red sand as if the museum were adrift in a desert and Vito Acconci is now exhibiting a grand and intriguing installation, The City Inside Us", which subverts the architectural language of the building - an often unsubstantiated claim of installation artists.

"Mak intends to play its part as a responsible social institution in the formation of cultural values," writes Noever in the new museum guide. Part of reconstituting such values was to invite contemporary artists to collaborate with curators in the selection and re-presentation of the collection rather than to use architects.

The notion of Donald Judd, high priest of minimalism, making an

Heil Hitler! Few operas served tha

Third Reich better than Capriccio and

Die Meistersinger von Nürnberg, Both

were used to prove the health and

strength of German art, at the very hour when the seeds of Germany's

wartime destruction were being sown.

Both have just been staged in Berlin in productions which resonate with

Strauss was given the idea for

Capriccio by Stefan Zweig, the Jewish

librettist of Die schweigsame Frau.

Prevented by the Nazis from collabo-

rating further, Zweig fled to Brazil,

where he committed suicide shortly

before Capriccio was premiared in war-torn Munich. The opera was com-

pleted with the help of Clemens

Krauss, a known Nazi sympathiser -

but it was an anachronism, the prod-

uct of a composer who blinkered him-

self from the world around him. Mei-

stersinger was the ultimate paean to "holy German art", set in the very

city which symbolised tha rise and

Plenty of scope for re-interpretation

here, you might think. Turning great

works of theatre into a parable of the

Nazi experience may be a cliché, but

By some strange fluke, there is a rush

of Venetian premieres in the Midlands

this week, New productions of Jon-

fall of the Nazi master-race.

images of the Nazl era.

مكدامن الأصل

Deanna Petherbridge visits the Austrian Museum of Applied Arts Return of the big Mak



American 'hot property' Jenny Holzer designed this Biedermeier and Empire style gallery

installation of ornate Baroque, Rococo and Classical furniture and objects might seem bizarre, and Judd's catalogue statement reveals some uneasiness. Nevertheless his placing of a few carefully chosen pieces of baroque furniture and decorative panels within a vast marbled space is seductive and frees the spectator to enjoy the period elaboration of each Judd's dialectic of opposites - more wrapped within less - finds central expression in the the free-standing room within a room, the 18th-century porcelain chamber from the Dubsky Palace in Brno, whose glowing rococo interior is encased within a cool stucco exterior. The gallery is topped

it provokes a thoughtful response

from German audiences. Occasionally

it illuminates. The programme books

offered stimulating perspectives. But

what the performances bore out was

that no two operas could be more

remote from the atmosphere of the

Meistersinger at the Deutsche Oper suffers least, if only because Gotz Friedrich leaves most of his produc-

on ideology where it belongs, on the

drawing board. Ha confines his moral-

ising to the overture, flashing up an

image of Nuremberg in ruins - a grim

20th century symbol of the ills (Hans Sachs's "Wahn") that befall a society

which succumbs to chanvinism and

emberg assumes a Biedermeyer set-ting of around 1835 - when Wagner

himself wimessed a riot there, and

the Act two finale of Meistersinger

For the rest of the evening, Nur-

democratic chaos.

with its original skylight by the 19thcentury architect Heinrich von Ferstel, and the cleaned neo-Renaissance surround also gains richness in this clear aestheticised space. All 11 gal-lery installations depend on s high degree of selectivity, but Judd's presentation highlights a dilemma. Most contemporary museums, with rarefied displays of a few objects, rotate them. But with intervention from artists. the choice of objects is presumably sacrosanct and unchangeable. However, each gallery has a study room for the visitor who wants to explore The limitation of choice is avoided

in the Wiener Werkstätte gallery designed by Viennese sculptor Heimo

Opera in Berlin

Capriccio and Meistersinger

of Peter Sykora's decor is a giant lens, with models of Nuremberg's town-

bouses bunched along the bottom

curve. A circular pane of patterned

glass provides the backdrop for Act

one. Act two is a dingy townscape of

prefabricated boxes - lacquered, like

all Sykora's designs, in unremitting Prussian blue. The Festwiese could have been an aircraft hangar or a

sports hall, with the chorus ranked on

Not a glimmer of Romanticism

nor much humour, which never was

Friedrich's strong suit. On the credit

side, the character-quirks of the mas-

tersingers are beantifully etched, and

the Act one singing trial is a delight.

Beckmesser, sung by Eike Wilm

Schulte without a hint of caricature

or vulgarity, is a tragi-comic figure

more interested in Pogner's money

than his daughter. Pogner Is majesti-

stands tucked away in the wings.

began to germinate. The central motif cally brought to life by Jan-Hendrik

Zobernig with curator Elisaheth Schmuttermeier, which presents the museum's entire holdings. The artist has designated the gallery space as a simple spatial geometry of orange, white and grey/black (colours associated with the movement), reflecting the underlying geometric impulse of the 1903 design workshop of Josef Hoffman and his partners. The workshop archive (including designs on paper, fabric samples, photographs and model books) is arranged in a double level of sbelved cupboards along one wall, and decorative objects are exhibited in an array of historic display cabinets.

In the "Historicism and Art Nouveau" gallery, New York artist Bar-

Rootering. Wolfgang Brendel, in an

extremely promising role-debut, por-

trays Sachs as a well-coiffed, clean-

shaven young philosopher-cohhler,

and the voice carries handsomely.

Eva Johansson was the delectably

plump Eva, Paul Frey a frayed-at-the-

edges Walther. The Act three quintet

That reflected well on the Deutsche

Oper's new music director, Rafael

Frübbeck da Burgos. He secured

clean, sensitiva playing from the

orchestra. The performance was brisk

and unfussy. All it lacked was a sense

Hartmut Haenchen's conducting of

Capriccio at the Staatsoper unter den

Linden. The rich textures of Strauss's

orcbestra were eloqueotly unravelled,

the singers never covered. Yvonne

Kenny's debut as Countess Madeleine

Venice) at the turn of the last cen-

Much the same could be said for

was one of the best I've heard.

bara Bloom shows Thonet bentwood chairs to witty advantage by placing them in two rows down the sides of the long gallery, behind translucent screens. The chairs' sinuous curves are projected on to the screens as linear shadows, and the spectator, viewing either the chair or its typical silhouette is encouraged to bridge that sometimes difficult-to-grasp gap hetween two-dimensional design and object, between the conceptual and the experiential

American "hot property" Jenny Holzer has been let loose on the Bledermeier and Empire style gallery with curator Christian Witt-Dorring. This has not turned into a subversion of 19th-century bourgeois values, as the original architecture marries all too cosily with furniture from its own time. However there is something discomforting about the array of heterogeneous furniture dispiritedly displayed along the terracotta walls and in a line down the centre of the gallery, which challenges standard

The difficult dynamics of super-se lectivity rather than ancyclopaedic display are seen to best advantage in the "20th-century design and architec-ture" gallery, designed by Viennese sculptor Manfred Wakolbinger with Peter Noever as curator. Contemporary chairs, including Frank Gehry's 1988 witty corrugated cardboard "Hole in One" chair, architectural models, drawings and a room installation by Jasper Morrison (part fictive, part real), are given real and psychological space in this gallery, stylistically a sort of insouciantly minimal post-

In Mak's visual world, so carefully articulated in relation to history and contemporary critical debates, there are no insuperable boundaries between Austrian and international artists, between high and low art, scholar and artist, maker and curator. The museum presents a Utopian moment which has come at a very interesting juncture in Austria's cultural and geographic reconstitution. It remains to be seen whether the public will forego the joys of traditional ser-endipity for such sophisticated games.

was an unqualified success. She looked gracious, elegant, pretty, never sounding less than confident and comfortable. Also outstanding was Siegfried Vogel, a magisterial La Roche, Other characters were barely sketched, and – apart from Rosemarie Lang's Clairon - undersung.

Jonathan Miller's production, designed by Peter Davison and Sue Blane, was set in a bombed-out Munich rehearsal hall. Before a note was heard, the cast and attendants gathered on stage to the sound of a German wartime news hroadcast (complete with the war-theme from Liszt's Les Préludes). After the sound faded, Strauss's screne string sextet started up and the "rehearsal" began in period costume.

Tha performance was clumsily staged and littered with unnecessary ideas. At the final curtain, the sight and sound of an allied air raid loomed through the crumbling back wall, and the cast reassembled to watch in silence. The only authentic touch missing from this crass, charmless setting was the cry of Heil Hitlar!

Andrew Clark

as her maquillage is strong.

Yet these and other flaws hang light in the scales. I loved the detailed ensemble playing in the hig trial scene, the sense of Venetian open-air chat, the vivid sweep of the whole satire. As in Othello, 20 extras help to swell the big scenes. And Alexander's decision to hring the front of the Rep stage right forward beyond the pro-scenium arch continues to pay dividends. Stagings now project here so surely that I relish the whole balance of steep auditorium and deep stage. in three months Alexander has made the Rep, whose acoustic I used to dread, a

Alastair Macaulay

theatre I look forward to revisiting.

Musical theatre

Sweeney Todd

heim really is a minority taste: attempts to find a tape or record of his original Sweeney Todd in London last weekend falled utterly even at shops that claim to have practically everything. Assassins flopped in New York and the brilliant production at the Donmar Warehouse early last yesr turned out to have only minority appeal Sweeney Todd was a limited

success when it was first played in London 13 years ago, hut suffered from heing exposed to the vast size of the Drury Lane Theatre. The Royal National Theatre's revival goes to the other extreme and confines it to the very small space of the Cottesloe, which will make a lot of people cross because it means that there aren't many seats and most of them were sold in advance.

But apart from that, Mrs Lin-coln, how did you enjoy the show? The answer is that it is 90 per cent terrific. No company in Britain is likely to match the RNT when it pulls out all the stops, which in this case include an organ. As a programme note admits, not even the RNT could have deployed so many resources without "a lavish and inspired donation from the Mackintosb Foundation".

The cast includes a chorus which is there not mainly to sing, Most of the time it simply moves, observes and registers reactions. This is wonderful ensemble playing. Aficionados will most admire

the music in all its considerable variety. Some of the scores and lyrics could not come from anyone but Soodbeim. He has a way of writing an eight-syllable line followed by one seemingly sborter; sometimes be does it with a five then a four. Often be complements it with an offrhyme. Listen to the marvellous "Do they think that walls can hide you? Even oow I'm at your window". Sondheim is a complete master of this

Then, just when he may be becoming predictable, he switches to another style. You

to other musicals in Sweeney Todd. The Johanna song, beautifully sung as the barber slits the throats, reminds you of Maria in West Side Story. Mrs Lovett's jolly and romantic "By the Sea" stirs memories of "The Surrey with the Fringe on Top" in Oklohoma. And Sondheim feeds on himself. The "Nothing's going to harm you" song in Sweeney is remarkably close to his "You are not alone" in his later Into the Woods.

At the Cottesloe, the musical star in s production where no one falls below par is Adrian Lester as Anthony, the good friend to Sweeney. He has a voice to which you could listen all night, but you can never overlook the support, sometimes the virtuosity, of the nine-strong orchestra. There is acting to go with it,

comedy as well as melodrama. Here the star is Julia McKenzie's Mrs Lovett, who has nearly all the best lines -"the worst pies in Loodon" and "just a couple of rats gone bome to Jesus". Alun Arm-strong's Sweeney is the hardest part of all because, for all his butchering, he is simply a straight msle lesd. I don't think he quite manages the shifts from the thirst for vengeance to becoming almost respectable and back again But perhaps the fault is in the writing. It is not quite clear whether Sweeney is a hero or a villain. True, he can be a bit of both, yet it is a question which Declan Donnellan's otherwise admirable direction has not fully resolved.

The other slight failing is overdoing the macabre. The cannibalistic song at the beginning of the second act where everyone munches the pies should be omitted for reasons of taste as well as length. Others may object to the mounting tide of blood. A whole bucket of it is poured down a drain at the front of the stage, and wben Judge Turpin is killed it spurts sideways like a burst bose at full blast. There is a distinction between a desire to sbock and simply showing off.

Malcolm Rutherford



Birmingham Rep until June 26 | Alun Armstrong (left) and Denis Quilley

son's Volpone at the Birmingham Rep. and at Stratford-upon-Avon of Shakespeare's Merchant of Venice and Goldoni's The Venetian Twins. (Even Matthew Hart's new work for Birmingham Royal Ballet featured Venetian blinds.) In several ways, Bill Alexander's Volpone staging is a sequel to the Othello with which, in March, be launched his new Birmingham Rep regime. And where does Act One of Othello take place? Venice, city of intrigue, lawsuits and (in the Renaissance) finance.

Jonson's sattrical farces are tight, neat, unromantic affairs, far from Shakespeare's larger-spirited, more varied, fronte and lyrical comedies. As long as you cut it judiciously, Volpone

is a remarkably playable comedy, and it adapts smartly to different stagings. This Volpone is as fine as Nicholas Hytner's 1990 staging at the Almeida in London. Where Hytner evoked the intimacy of Venice by having water swishing around the perimeters of the small stage area, this one evokes the city's scale, with an arching bridge looming high above the Rep's large stage. The designer, Kit Surrey, has taken his basic Othello set - huge tiles lining floor and walls - and dyed

it brown and gold. This production's skill lies in contrasting public and private scenes, in telling the story with robust vitality, and in giving surprising comic emphasis to several supporting characters. Corvino (Jamie Newall), whose grossly misogynistic treatment of his wife Celia can be so disturbing, is

cultural event. This year's

Gilbert Kaplan conducting

of Theatre de Complicite's

The festival ends with the Verona

production of Alda, staged in

the Roman amphitheatre at

Caesarea from June 20 to 30

(Tickets and information tel

Musee Royal des Beaux-Arts

Jacob Jordaens, Ends June 27.

2-234061).

production of Street of

programme features the

Theatre

here a comic monster. The scenes involving Sir Politic Would-be and his wife (all omitted by Hytner) are here made hilarious.

Everything is so lucid and onward-moving that it hardly matters that veral central roles are miscast. Or that Alexander has cut not only such songs as Jonson's Catullus translation 'Come, my Celia, let us prove" but also Volpone's three special minions his dwarf, hermaphrodite and eunuch. Or that Alexander and Surrey some-what diminish the play by locating it (like Jonathan Miller's Merchant of

tury, with café society, boaters, and frock coats. Bernard Horsfall plays the title role

like a skinny Faistaff - scurrilous, lofty, urbane, an amusing still bub of the action, warmest when in in his cups. But he is a Volpone/fox neither cunning nor predatory. He lacks the acid for such remarks as "women and men of every sex," and he is too obviously the passive dupe of the parasite fly, Mosca. In which role Gerard Murphy is not just wrong - impossible to imagine him either buzzing or flying
- but also over-indulges all his worst hark-at-me mannerisms: the odd backof-the-mouth tone formation; the unspontaneous delivery of even so simple a line as "Do so". By contrast, Andrea Mason's Celia is coarse and under-refined, her elocution as weak

INTERNATIONAL

This month's World Theatre season in Munich (June 12-27) features the work of internationally renowned. directors such as Giorgio Strehler, Luc Bondy and Peter Brook, as well as some new discoveries. Brook's Paris company brings his latest theatre piece, L'Homme qui, based on neurologist Oliver Sacks' book The Man Who Mistock His Wife For A Hat. Bondy is represented by a French-language production of ibsen's John Gabriel Borkman. Piccolo Teatro di Milano bringsi Strehler's production of Goldon's Le baruffe chiozotte.

adaptation of Virginia Woolf's

Orlando and a Buchner

EXHIBITIONS GUIDE AMSTERDAM Rijksmuseum Rembrandt in a new light: seven restored paintings. including The Denial of Peter (1660), The Jewish Bride (1662) National Theatre of Craiova, and The Sampling Officials (1662). Romania, will perform Alfred Ends Nov 1. The Jacobus Klaver Jarry's Roi Ubu and Collection: 100 Dutch 17th and Shakespeare's Titus Andronicus, early 18th century drawings. Ends while Teatr no Pokrovke from July 25. Closed Mon. Van Gogh Moscow brings Chekhov's Three Museum Courtesans in Japanese Sisters. Among the more exotic Prints. Ends Aug 29. Daily. events are a Robert Lepage creation, a Brazilian stage

daptation by the Handspring Puppet Company of Johannesburg, entitled Woyze on the Highweld (tickets and information tel 89-291744). Middelheim New Sculptures: works by Richard Deacon and ten other naior international artists. Daily BARCELONA Fundacio Joan Miro Joan Miro: Since it was founded more than

30 years ago, the Israel Festival in Jerusalem has developed into the country's main international large-scale centenary exhibition. Ends Aug 30. Closed Mon BARI Castello Svevo Corrado Giaquinto: the late-Baroqua artist who provided enormous altar Komische Oper, Berlin, with the paintings for numerous Roman Kupfer production of Gluck's churches, and was fêted in Orfeo (tomorrow), Cutiberg Ballet European courts during his lifetime (Goya was fascinated by the works with Mats Ek's 20th century version of Giselle (Sun and Mon), done for the Palazzo Real in Madrid), has since been unfairly Mahler's Second Symphony (next neglected. This fine show, with works from European and American Thurs) and five performances collections, attempts to set the record straight. Ends June 20. Crocodies, based on the stories FLORENCE of Bruno Schulz (from June 13). Palazzo Strozzi Vassily Kandinsky:

38 oils, watercolours and paintings on glass by the Russian painter covering the years 1900-20. The exhibition includes some of his early chaotic, typically Russian symbolist works and cheerful landscapes, many painted on his frequent visits to the Tyrol (from the Russian Museum in St Petersburg) and also shows his gradual move into abstract art. working closely with Klee, Arp and Schoenberg. Ends July 18 KYOTO

City Gallery From the Treasuries of Eurasia, Masterpieces of Ancient Art: 170 antiquities chosen from 15 museums in Russia and Ukraine by Bolivian collector George Ortiz, including Greek vases, sculpture and bronzes, Scythlan gold and silver jewellery, Egyptian statues, Byzantine ivory panels and a magnificent winged human-faced

sphinx with lion's body. Ends July 4 LONDON Tate Gallery Art and Liberation: painting and sculpture in postwar Paris 1945-55, focusing on Giacommetti, Wols, Picasso

Duhuffet and others. Ends Sep 5. Turner's Painting Techniques. Ends Sep 12. Georges Braque: prints from private French collections. Ends June 27. Daily National Gallery 18th and 19th century paintings and drawings from Lille. Ends July 11. Paintings from the Bowes Museum. Ends Juna 20. Also 10 Velazquez paintings from Aspley House. Daily Royal Academy of Arts Summer Exhibition. Ends Aug 15. Daily Havward Gallery Georgia O'Keeffe. Ends June 27. Also James Turrell installations. Ends June 27. Daily Courtauld Institute Thomas Gambier Parry as Artist and Collector: 14th and 15th Italian paintings collected by the 19th

 Daily Accademia Italiana Italian Art Treesures, including works by Guercino, Domenichino and Caracci, Ends July 25. Daily MADRID

century artist, whose watercolours

are also represented. Ends Sep

Fundacion Juan March Picasso and the Three-Cornered Hat. Ends July 4. Daily NEW YORK

Guggenheim Museum Paul Klee: 60 works from the museum's own collection, spanning the Swiss-born artist's career from early academic landscapes and satirical etchinos to geometric abstractions executed at the Bauhaus and late mesterworks. Ends Sep 19. The

SoHo site has Singular Dimensions in Painting: minimalist works from the 1960s and 70s by Ellsworth Kelly, Agnes Martin, Robert Ryman. Richard Serra and others. Ends Aug 22. The main museum is closed on Thurs, the Soho site on

Metropolitan Museum of Art Drawings from the Getty Museum. Ends Aug 8. Abstract Expressionism: works on paper from the period 1938-67 by American artists. Ends Sep 12. Closed Mon Museum of Modern Art Latin

American Artists of the 20th century: 300 works by 90 artists from 1914 to the present. Ends Sep 7. John Heartfield: powerful political images by the German inventor of photomontage. Ends July 6. Closed Wed Brooklyn Museum Louise

Bourgeois: 11 works by the artist selected to represent the US at the 1993 Venice Biennale. Ends Oct 3. Closed Mon and Tues Whitney Museum of American Art 1993 Blennial. Ends June 13. Closed Mon

PARIS Centre Georges Pompidou Matisse 1904-17. Ends June 21. Closed Tues

Grand Palais The Century of Titian. Ends June 14. Closed Tues, late opening Wed (ave du General Esenhower)

Musee Picasso Picasso and the Bulls. Ends June 28. Closed Tues Louvre Copier-Creer: from Turner to Picasso, 300 works showing how artists copied the great masters. Ends July 26. Closed Tues Le Louvre des Antiquaires The Shine of Pewter: 300 jugs, plates

and dishes recreating 16th-18th century table settings. Ends July 17. Closed Mon (2 place Palais Royal) Musee du Luxembourg Roman

Wall Paintings around Narbonne. Ends July 4. Closed Mon (19 rue de Vaugirard)
Petit Palais The Splendour of Russia: a thousand years of goldsmiths' work. Ends July 18. Closed Mon ROME Calcografia Federico Peliti,

Piedmontese Photographer in India: more than 200 evocative photos of the British Raj by a talented amateur, who was also a violinist and sculptor. Peliti's passion for sculpting cakes in elaborate architectural shapes (culinary feats such as the pastry Taj Mahal made to celebrate the crowning of Queen Victoria as Empress) led to his being taken to Calcutta as the viceroy's chief pastry-cook, from where his fame spread over the continent. Ends July 10, Daily S Michele a Ripa Borghese Collection: works by Titian, Caravaggio, Rubens, Raphael and others, on show in this deconsecrated church while the villa in the Borghese gardens is being restored. Ends Dec 31 VENICE

Palazzo Grassi Marcei Duchamp (1887-1968): 300 works. Ends July

18. Daily Fondazione Cini From Velazquez to Murillo: 50 works, mainly religious, from the golden aga of the Spanish Baroque. Ends June

VIENNĂ Kunsthistortsches Museum Gold from Kiev: 100 masterworks from

tha era of Scythian supremacy to the Christianisation of the Ukraine Ends Sep 12. From Bruegel to Rubens: paintings and drawings from the golden century of Flemish art. Ends June 20. Closed Mon Albertina Dutch and German Drawings from Mannerism and the Baroque: works by Goltzius, Rubens, van Dyck and others. Ends July 11. Daily Kunstlerhaus The World of the Mava. Ends June 27. Daily WASHINGTON National Gallery of Art The Great

Age of British Watercolours 1750-1880. Ends July 25. Also Great French Paintings from the Barnes Foundation: 80 French Impressionist, post-Impressionist and early modern paintings. Ends Aug 15. William Harnett, 19th century American still-life painter. Ends June 13. Daily National Portrait Gallery American Art at the 1893 World Fair. Ends Aug 14. Daily

National Museum of American Art Masterworks from American Art Forum Collections 1875-1935: 64 works by Albert Blerstadt, John Singer Sargent, Edward Hopper and others. Ends July 5. Daily ZURICH

Kunsthaus The Nabls. Ends Aug 15. Closed Mon Museum Rietberg Masks and

Costumes of Japanese Theatre: Noh theatre masks and garments from 17th-19th centuries. Ends Aug 22. Closed Mon (Gablerstrassa

Graphischa Sammlung der Franz Gertsch: recent landscapes combining photography, woodcuts and painting. Ends July 16. Closed

Panic and heroism in the heat of the night



world's worst nuclear accident, is a tantalising target for a writer. The events of the night of April *REVIEW* 26 1986 were

sbrouded in KGB-protected secrecy by the Soviet government for years, despite the clamourings of other countries to know how the accident bappened.

But as the Soviet Union disintegrated, the print-outs from the reactor's computers, the tape recordings of the men in the control room, and the medical records of the surrounding population gradually emerged. Cbernobyl's scientists and directors bave also been increasingly prepared to talk to foreign writers; many appear remorseful for having helped cover up the full story. Piera Paul Read bas interviewed two of the most senior staff in control of the reactor that night: Victor Brukhanov, Chernobyl's director, and Anatoli Dyatlov, deputy chief engi-

By far the best part of the book is the account of the panic, terror and extraordinary courage on the night of the explosion. Scientists and technicians - who thought at first that war had broken out streamed along corridors in the dark as their instruments failed. They heaved at twisted metal doors to reach the control rods and put their hands into radioactive pools to turn safety valves. They slung injured colleagues over their shoulders as they fled for the exits, even though the radioactivity from the contaminated clothing burned deep sores into their flesh.

Read provides a powerful reminder, too, of the peculiarly horrible effects of radiation on the human body, one of the reasons why western Europe's environmental pressure groups are so fiercely opposed to nuclear power. Thirty-one people died immediately or within days. They watched their own bodies rot, their intestines dissolve and the skin on their legs

fall down like loose socks. The book goes a long way to explaining how the disaster happened, pointing a finger at tha Soviet planning system. ABLAZE - THE STORY OF CHERNOBYL by Piers Paul Read Secker & Warburg, 478 pages, £16.99

Components to build Chernobyl's four reactors - secured after tortuous negotiations with the strangely named Ministry of Medium Machine Building - rarely arrived in working order or on time. The plant's directors, says Read, struggled to meet impossible construction targets, while juggling Communist perty demands to diversify into conaumer goods and to construct

two hay barns for a local farm. Locked into that system. Chernobyl's staff believed that initiative, even on the brink of disaster, would be penalised. That led them to persist with an experiment on the plant'a electricity turbines even when it started to go wrong - ironically, the reactor ran out of control during long-overdue tests on its safety. The book makes too much of

the faultiness of the reactor's control rods, although the imperfections were confirmed this year in a report by the International Atomic Energy Authority, the nuclear watchdog. The ill-designed safety tests and the generally poor standards of construction were the main causes.

It also does little to solve the main remaining mystery of Chernobyl: how many people were made ill, or saw their children born deformed. Read points out, movingly, that figures are hard to establish because the general bealth of the population is so poor, undermined by pollution and inadequate nutrition. But be cites estimates - which range from the 31 who died to "as many as [in] the second world war" - without saying which

should be taken seriously. This is a symptom of the book's biggest weakness. It relies heavily on secondary sources - particularly Ukrainian and Russian newspaper reports - and attributes too few of its main assertions to any Identifiable source.

Important points lack substantiation, such as his claim that, before the explosion, there was "anxiety in the high-

hope that history will also see him as a brave man who took unpopular decisions in the best interests of the country. It is no credit to our governance that he was ultimately brought est quarters about the shortdown by the mob, led on by the comings in construction". His popular press. fondness for the passive tense When be took office in also leaves too many questions November 1990 the chancellor dangling about who took critiinherited a double-digit rate of

orman Lemont must go down aa one of the unlucki-eat chancellors. 1

inflation, which he hated, and

an economy moving rapidly

into recession. He decided to

make the elimination of infla-

tion his main policy aim and in

this he was outstandingly auc-

cessful. The headline inflation

rate fall from nearly 11 per

cent to just over 1 per cent

But the price was high. The

recession proved much longer

and deeper than mainstream

forecasters had expected. A

recovary, originally expected

well ahead of tha April 1992

election, was still not in the

bag by last Christmas. In the

ration in the public finances had become all too visible. A

chancellor committed to cut-

ting taxes had to introduce a

It was, of course, none of these problems that brought

him down. Everybody will

remember Norman Lamont as

the man who bad publicly

defended an exchange rate pol-

icy for which, as the cabinet's

leading Euro-sceptic, he had

little affection, and then clung

to office when the policy col-

apsed. He was filmed on the

Treasury steps in late August

saying there was no scintilla of

doubt that the pound would

stay in the ERM. Three weeks

later, from a nearby spot, he

announced the suspension of

If he bad gone then, the rea-

sons for his departure would

have been clear. But his senior

colleagues agreed that the

ERM debacle was not his fault,

He stayed, and on balance I

believe he was right to do so.

Those who cite the precedent

of Jim Callaghan's resignation

over the sterling devaluation of

1967 are drawing a distant and

misleading parallel. They should look at what other

countries have done following

the many realignment crises

that have dogged the ERM at

ronghly two-year intervals

since its birth in 1979. They

have not found it necessary to

change their finance ministers

Should Mr Lamont have

ducked the fight to stay in?

along with their ERM parity.

ERM membership.

tax-raising budget.

ntime an alarming deterio-

during his stewardship.

identity of the person who ordered the go-ahead for evacuation of the town, for example. Surprisingly, given his talent as a novelist, the pace suffers from Read'a technique of retelling the events several times to reflect the different perspectives of the plant's workers, the politicians and the local residents. He also indulges in at least half a dozen repetitions of passages, and in clumsy metaphors, although it is perhaps inevitable that the glow-

cal decisions at the plant - the

ing core of the destroyed reactor is compared to a glimpse of bell. Unfortunately, towards the end, his prose not only describes but resembles the ponderous and labyrinthine ways of the Soviet command economy. That said, he is right that Chernobyl has become a powerful symbol. The explosion has come to represent the atrophy of the Soviet Union and

"its subsequent melt-down", as Read puts it. It is also seen as a turning point in the promise of nuclear power to deliver cheap energy without much riak. even in poorly managed coun-Read'a final auggestion -that buman fallibility means nuclear power can never be safe - seems unnecessarily

fatalistic, however. The lessons of Chernobyl are precise ones the apparent impotence of United Nations bodies such as the IAEA, and the way the nuclear industry's military connections are frequently used to restrict information. Western countries also have plenty of evidence now that there is a threat of a second

Chernobyl at some of the crumbling reactors in eastern Europe or the former Soviet Union. They know that send ing money, technicians and components could reduce the risks. There is an argument, which Read does not explore, that if another accident were to occur, the blame should fall on the inadequacy of western action rather than on the innate dangers of nuclear

Bronwen Maddox | That would have been a breach

A European bank with a strong home base.

Hounded out by fiction and foes

History will be kinder to Norman Lamont than the tabloid press, writes Bill Robinson

of faith with all in Britain who supported ERM entry and with our partners in the EC. Should be have devalued rather than float? The countries which chose that option have had an uncomfortable time, with interest rates still high and the risk of another realignment crisis

never far away. By fighting to stay in until he was forced out, the chancellor sent a very clear signal of his determination to defeat inflation with a strong pound and high interest rates. He also underlined the government's commitment to the ERM, keeping open the option of rejoining the aystem. That option seemed more important then than now. But when re-entry comes hack on the agenda, Lamont's dogged defence of aterling's ERM parity will

stand us in good stead. Once out of the ERM Mr Lamont swiftly cut short-term interest rates, bringing them decisively below German rates. as they needed to be. His Autumn Statement contained further measures to bolster confidence, notably the abolition of the car tax. The UK is now enjoying a recovery while the rest of the Community is in deepening recession.

Lamont also put in place a new framework for the conduct of policy. He set, for the first time, an explicit inflation target, buttressed by indicative ranges for broad and narrow

Lamont's senior colleagues agree that the ERM debacle was not his fault

money. He announced that progress on inflation would be monitored in regular monthly meetings with the governor of the Bank of England, on a preannounced timetable. He ordered the publication of the internal documents on which that assessment was based. He also gave the Bank of England a new quasi-independent role in monitoring the inflation per-



formance and publishing a quarterly report on the subject. The new policies were outlined, in a speech to the International Monetary Fund, the weekend immediately after exit from the ERM. Over the next few weeks further details were announced in a letter to the Treasury committee, in the Mansion House speech and in the Antumn Stetement. This measured pace was considered too slow hy some. But policies

made on the boof are followed all too often by U-turns. The verdict of the financial markets on all this is clear. The long bond rate, the acid test of inflationary expectations, is more than 1 percentage point lower than in September. The exchange rate has

beld steady. So wby did we keep on reading that the City had lost all confidence in the chancellor? Perhaps it was because the tablolds turned on him. Having hounded David Mellor out of

office for some over-enthusiastic socialising in a Chelsea strip, they attempted to bring down Mr Lamont by character assassination. They produced a mischievous story about his party conference botel bill. They dug up another about his

So why did we keep on reading that the City had lost all confidence in the chancellor?

Access bill (lost when building works drove him temporarily out of Number 11). They kept digging and found that some of the costs of evicting an unsuitable tenant 18 months earlier had been met out of public funds. Worst of all, when Lamont stopped at the Marble Arch Threshers (on the way home from Dorney Wood) to pick up some wine for dinner the Incl-

dent was turned, by false witness, into a fictitious purchase ness, into a necessary of champagne and cheap ciga of champagne and cheap ciga

rettes in Paddington.
He survived it all and went on to present his third Budget - a delicate balancing act. Public borrowing needed to be reduced but the recovery was still very fragile. The chancellor solved the problem by announcing a programme of delayed tax increases. The innovation received good reviews (as had both of his previous Budgets) and the economic data published since then suggest the economy is still on the path to recovery. So during the Easter recess

it looked as though, for once, all was set fair. Growth had resumed; inflation, both prices and wages, was hitting record; finances had been addressed. It was a fair bet that Mr Lamont would present the first unified Budget, his fourth, and bow out with honour shortly after.

Then came the Newbury by-election. The government suffered a buge defeat, and suddenly the papers were again full of calls for the chancellor'a resignation. This time he lost the support of his closest colleagues and was obliged to depart, to a gleeful tabloid chorus of "Lamont bumiliated"

The departure of a cabinet minister is an important politi. cal event. It is usually the result either of a scandal or a blg disagreement within the government over policy. Mr Lamont's departure does not fit that pattern. The change of policy occurred nine months ago and has proved rather succesaful. The scandals dominated the beadlines six months ago, and were either fictitious or not very scandalous.

The chancellor nevertheless had to go because word came back from Newbury to the party managers that be was unpopular on the doorsteps. The voters mentioned the hotel bill, the Access bill, the lawyers' bill, the Threshers bill. Nobody mentioned the Finance 8) Bill. That more or less reflects the coverage accorded to Mr Lamont by the tabloids.

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Politicians are ultimately judged by the quality of their decisions. Mr Lamont took some good ones and leaves the economy in much better shape than he found it. The history books will be kinder to him than his contemporaries have

The author was special adviser to the chancellor and former. director of the Institute for

Number One Southwark Bridge, London SE1 9HL Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

A better criterion for audit exemption

From Mr L D McClements.
Sir, As a director of a small limited company I welcome the removal of the audit requirement in principle ("Third time lucky" June 2). However, a different exemption criterion

would seem to be desirable. In our case the accounts are computerised and audit fees are only about 0.7 per cent of turnover; the time required for meetings and dealing with importance. Moreover, the audit process involves other formalities such as bank letters: these cost £17-£20 cach and merely repeat information already provided on state-

Unfortunately we would not benefit from the Department of Trade and industry proposal as our turnover is above the VAT threshold. The exemption would be more effective if framed to cover the majority of

limited companies which obtain no advantage from the audit requirement.

Better targeting could be achieved by director certification subject to unanimous approval by sbarebolders. Where credit rating agencies, banks or other creditors need audited accounts it would not be in the interests of directors or shareholders to claim the exemption.

An arrangement of this type

that companies below the VAT limit (or any other arbitrary threshold) would not be entitled to automatic exemption. The decision would be taken benefits of an audit to the individual business. L D McClements,

would also have the advantage

Helen's Bay,

after weighing the costs and 16. 3 Chimera Wood,

Bangor, County Down

Rewarding subject for study From Mr Franco Modigliani in the EC. We believe includ-

Sir, Wa are amazed to find, having read the story "Delors orders study into EC's unemployment crisis" (May 13), that among the areas to be included there is no mention of the policy of high interest rate pursued by the Bundesbank and followed by other European

monetary system members. We believe this policy to be one of the major, if not the major, cause of unemployment

ing this subject into the study would be rewarding. Franco Modigliani, institute professor emeritus, Massachusetts Institute of Technology. Alfred P Sloan School of Management, Cambridge, Massachusetts, US, and on behalf of: Rudiger Dornbusch, Stanley Fischer, Paul Krugman,

Landlords dislike being bitten

Sir, Your otherwise excellent article, "In search of the private landlord" (June 1), ignores the main reason why the private landlord will remain "reluctant to revive the private rented sector". The landlords of long-term

tenants are facing the prospect of losing their properties under the provisions of this "Conser-

vative" government's urban development and leasehold reform bill. Now the principle of expropriation is established who can be sure future ministers, or Indeed Sir George Young himself, will not seek to enfranchise short-term tenants too? Once bitten, twice shy. Derwent.

9 Queen Street. Mayfair, London W1X 7PH

Lessons in competition law can be painful From Mrs E Susan Singleton.

Sir, As a competition lawyer one becomes used to ignorance and disregard among some sectors of the business community of laws regulating anti-compet-itive agreements. "Minding Your Own Business" (May 22/ 23) profiled an individual selling up-market clothes. Maintaining that be "sticks

rigidly to recommended retail prices" the proprietor went on to state that be complains to suppliers when he discovers any ahop selling below RRP.

Furthermore, we were informed, "one top lahel" (which remains nameless) stipulates that retailers must sell at a mark-up of 300 per cent - to protect sales at its own shops".

Not only could auch an arrangement contravene the Resale Prices Act 1976 and require prior registration with the Office of Fair Trading | London WC2A 3BP

under the Restrictive Trade Practices Act 1976, but it is likely also to infringe Article 85(1) of the Rome treaty.

Whether the parties know or care, they should at least be warned of the European Commission's powers to fine them up to 10 per cent of annual, worldwide turnover, of the unenforceability of the resale price restrictions and of the rights of third parties to bring actions for damages for loss suffered through the operation

of such arrangements.

In the face of such penalties. the bliss of ignorance - be it feigned or otherwise - ia quickly replaced through an expensive initiation into the detail of competition law fi enforcement and penalties. E Susan Singleton. Bristows Cooke & Carpmael 10 Lincoln's Inn Fields

ment of the effects of the mea-

sure, greater transparency and

EC anti-dumping measures not in interests of industrial efficiency

Sir, The Commission is currently reviewing a number of anti-dumping duties imposed in the mid-1980s. The cases concern typewriters, electronic scales, outboard motors, compact disc players and, possibly, printers. In practice, the data show in each casa the complaining industry is in a worse

the original investigation. Wby are anti-dumping measures apparently so inefficient? First, because there is clearly no alternative to free competition. Often, while protected, the EC industry has delayed restructuring. Exporters have

state today than at tha time of

ther rationalisation, or by relocating. in the outboard motors case, floor prices aince 1983 have kept EC prices some 40 per cent above US prices, yet the EC industry atill complains about losses.

The Commission must bear a heavy responsibility for the failure of tha anti-dumping instrument. Artificially inflated dumping margins have led to the feeling in Europe that foreign competition can be effectively fought with heavy anti-dumping measures. But except in the case of existing anomalies, this is to tackle the

problem from the wrong end, Some consider that the only compensated for duties by fur- | way to cope with the failure of |

the 1985 duties is to impose still tougher measures. Others, bowever, believe it is time to replace these heavy inatruments of trade policy with specific, tima-limited measures correcting market dysfunctions where they exist.

This presupposes, in the first instance, a return to the original meaning of dumping under the General Agreement on Tariffs and Trade - that is, the private subsidising of cheap exports using profits achieved on the domestic market. A neutral assessment of injury and, in particular, the causality link between dumping and injury, is also needed. Procedural changes, permanent assess-

predictability are long overdue. Only by making these changes will EC industry be protected from unfair practices without being given the illusion of protection, which justifies the postponement of restructuring. European indus-try should also consider wbether its interests are best served by imposing measures which are so heavy that for-

eign competitors are forced to

transfer production into the

Community. Pierre Didier lawyer Avenue de Teroueren, 163, 1150 Brussels

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ensure WestLB's success in supporting the savings banks and corporate customers in Europe and around the





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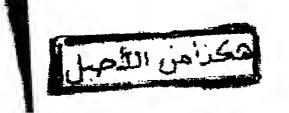
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FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Friday June 4 1993

Closing ERM fault lines

ERM? The answer of the top policy-makers of the European Community is apparently nothing". Reports from the monetary committee and the heads of the EC central banks agree that the ERM needs to be better, by which they mean more flexibly, man-

aged. This view is not persuasive. This is far more than a technical matter. The purpose of the ERM is to contribute to the harmonious economic development of the EC. This it has of late failed to do. The gross domestic product of the EC rose by only 0.7 per cent in 1991 and then by 1.1 per cent in 1992. GDP is likely to fall this year. This dismal performance partly reflects the way the ERM has spread the effects of mismanaged German

When Mr Erik Hoffmeyer, the distinguished Danish central bank chief, complains that currency co-operation has collapsed because of "competitive devaluations" he confuses the symptoms of the ailment with its cause. Countries such as Denmark are caught between the unmentionable - the perverse policies of unified Germany – and the intolerable – their recent decline in competitiveness. It is not surprising that they feel frustrated. But to imagine that things would be fine if these devaluations had been prevented is fantasy. So what needs to be done? Three

points must be made.
First, EC leaders must not be mesmerised by hopes for economic and monetary union. Unless the convergence criteria are torn up, 1999 is now the earliest plausible date for Emu. During the six intervening years, meeting the convergence criteria must be reconciled with sensible macroeconomic policies. That will be possible only if Germany turns its pro-European rhetoric into domestic reality by aggressive rebalancing of its fiscal

and monetary policies.
Second, the EC must confront the economic failures demonstrated by this week's interim. new exchange rate bands would OECD report on employment. How, EC leaders must ask them-selves, is the EC to secure lower nomic growth? In the 1980s they found an answer in completing the single market. In the 1990s the answer will lie not in Emu, but elsewhere, notably in the labour market, but also in trade liberalisation and in efforts to reduce the high burden of taxation.

ERM management Finally, the ERM itself needs to

be reformed.

Some believe the principal role of the ERM is to make disinflation more credible. Others argue that the single market would provs either unworkable or unacceptsble without an exchange rate arrangement. The former objective implies fixed nominal exchange rates, while the latter implies fixed real exchange rates or, at the least, thet changes in

WHAT IS to be done with the real exchange rates should be limited to those warranted by economic fundamentals, including cyclical divergences.

This distinction is important.

The Italian lira, for example, suffered a 10 per cent deterioration in real competitiveness, vis à vis the rest of Europe, between early 1967 and last September. It is also far from academic, since one cause of the ERM crisis was the effects on competitiveness of reliance on the fixed exchange rate route to lower

Events have made the choice, An ERM based on adjustable exchange rates and operating under freedom for capital flows must set nominal exchange rates that reflect competitiveness.

How far then would changes in management of the ERM suffice and how far must the system Itself be changed? The answer is that both are needed.

Credibility problem

For countries that already seem suitable for fixed exchange rates, the difficulty with the ERM is imperfect credibility. Short of Emu, that problem cannot be eliminated. A radical approach would be for the central banks, presumably all independent, to announce their willingness to support one another's currencies without limit, for as long as each country retains stability-oriented policies. For countries that need adjustable exchange rates, the principal

difficulty is that the bands have not allowed adequate interest rate flexibility. Nor have they pre-vented the emergence of one-way bets for speculators. A part of the solution is wider bands - perhaps as much as 10 per cent on either side of the central rate. Another part is a presumption that there would either be a change in monetary policy or a change in central parity, whenever a currency deviates from its central rate by more than, say, half the width of its band. Furthermore, the old and overlap to include the actual exchange rate - eliminating windfall gains for speculators. A currency would also be switched into the narrow band only if its exchange rate remained near the

The EC must confront its central failines of slow growth and high unemployment. At present, unfortunately, the EC's monetary arrangements, both actual and planned, are proving an obstacle rather than a help. So Mr Major was right to identify "fault lines". Unfortunately, the British govern ment seems to have done little to help the discussions about how to remove them. Yet it would be both politically and economically fool-ish to put sterling back into an unreformed ERM. In the new and economic upheaval, the ERM must be made either more fiexible or more fixed. Ideally, it needs to be changed in both directions at the same time.

central rate for some years.

A fruitless day's work

THIS WEEK'S EC agreement on a 48-hour maximum working week and other limits on working time reflects poorly on everyone involved Britain, the odd-countryout on community social policy, remains truculent and isolated to the last. Having campaigned with bogus figures and matchless bluster, before abstaining in the cru-cial vote, the UK will now take the matter to the European Court.

The Commission etands accused, backed by key member states, of disguising the changes as a health and safety measure, in order to make them subject to majority rather than unanimous voting in the council. Some member states have meanwhile let it be known privately that while they agree with Britain, they cannot afford to be seen to do so.

When these new measures reach national statute books in three or four years, they will in reality make little impact, since most of the 12 have legal restrictions which already match or are tighter than required under the EC agreement.

Britain, the only country with no legal limits on the working week or minimum holiday entitlements, faces the biggest shift. Yet even in Britain, the effect promises to be modest; mutually voluntary arrangements are exempt from the rules, as are certain occupations, and there is to be a delay of at least 10 years before the start of the 48-hour week as such. Most ironic of all, the fact that the measure has been classified as "health and safety" means that it will be overseen by a hard-pressed health and safety executive, which is unlikely to make policing of working hours registers lts highest pri-

The most striking fact of all, however, is that in the three years it has taken the 12 to agree a form of words on working hours, unemployment in the Community has risen by 3.2m, from 8.3 per cent to 10.2 per cent. It is still rising.

These years have also brought the prospect of a greatly enlarged Community, and the cracking of the EC's exchange rate regime under the strain of economic diversity among its existing 12 members. If ever it were possible to imagine a lockstep march towards identical working conditions from Copenhagen to Athens, that moment has surely passed What workers want from Community social policy today is most of all an economy sufficiently competitive and prosperous to provide them with jobs.

There have been welcome signs lately that the Commission may be beginning to recognise the case for making job creation a higher priority than labour rule harmonisation, or at least to calculate the cost of any proposed social measures. If that means anything, it implies further flexibility on

labour market regulation. None of this is to imply that any well-run firm would want systematically to deny its workforce a daily rest period of 11 consecutive hours, at least one day a week off. a break after six hours and at least three to four weeks' annual holiday. But these are goals not hest achieved by Community-wide laws irregularly enforced by inspectors with more important tasks to perform.

iu Xiaobo, accused by the Chinese authorities of being one of the four black hands" behind the bloodstained pro-democracy protests of 1989, is in a reflective mood. "The lesson for the Communist party," he says over dinner at Beijing's dowdy Friendship Hotel, "is that it now knows that it can't rely on shooting people to retain its political authority. On the other hand, June 4 taught intellectuals like us that radical moves are not the answer - change must come

gradually." Four years ago this week, after a government crackdown on student protests ended in massacre in and around Beijing's vast central Tian-anmen square, both sides appear to he groping in these calmer moments for a way to live with a complex legacy. Time has bardly lessened the bitterness felt by many Chinese over those events and, perhaps more importantly, it has not banished a desire for a historical accounting.

Liu, who was jalled, hut not charged, for what were described as counter-revolutionary activities and defaming the state - he wrote pamphlets during the disturbances - is not one of those burdened by bitterness. Rather, he feels an almost

overwhelming sadness.
"I could never have imagined they would shoot students," be muses. "It meant that Deng Xiaoping jeopardised his own policies with his own hands, and also lost the people's trust. The students, bowever, carried on the confrontation too long. Both sides made too much of a sacrifice.
"It is time now," Liu says, espousing a view that will not endear him

to some of his fellow dissidents, "for the top leaders of the Communist party and the people to make peace - to end the confrontation and make improvements. Our slogan issued on June 2 1989 still serves tha situation. 'We don't have enemies. We are all responsible for China's poverty and backwardness."

Inevitably, China's accelerated economic liberalisation of the past year or so has been accompanied by a political loosening, including an easing of restriction on internal travel, and joh mobility. The recent release of prominent dissidents before their prison terms expired, and time itself, hava encouraged more open discussion among intel-lectuals of the lessons of Tianan-men and perhaps surprisingly an appreciation of some of the gains.

None of this debate has appeared in the government-controlled msdia, in which the Tiananmen massacre is rarely mentioned and then only in the tight context of stern official judgment. The Com-munist party (which wrote the his-tory of Tiananmen within days of the massacre in a booklet entitled Report on Checking the Turmoil

Rebels with an uneasy cause

A complex legacy of bitterness and hope after the events of Tiananmen square still divides Chinese dissidents and their government, writes Tony Walker



and Quelling the Counter-Revolution Rebellion) is not about to allow lts version of events to be challenged. It understands the stakes are high in terms of historical judg-ment, not only for the individuals who ordered the crackdown but

Liu, a bespectacled, scholarly 38-year-old who holds a doctorate in philosophy and ethics from Beijing Normal University - one of China's most prestigious universities - is both a casualty and a beneficiary of the Tiananmen episode.

The events of 1989 projected him from being a moderately well-known avant-garde writer on the ills of society to a controversial national figure. But he has also become a "non-person" as far as the state is concerned. He was sacked from his joh as a university teacher and, perhaps more painful for someone who believes be has something to contribute to China's intellectual discourse, he is barred from pub-lishing his views in a country where the party ultimately controls of all aspects of the media.

In spite of these restrictions, Liu hopes it will not be long before he is allowed to publish again. In the meantime he is spending his time reading and writing, and reflecting on the events of 1989. These are the subject of his book, The Monologue a Survivor of the Last Days, published in Taiwan recently.

s with other intellectuals deeply involved in the June 4 movement, Liu, who spent 18 months in jail, exhibits contradictory impulses towards Deng Xiaoping, whom many Chinese believe was ultimately responsible for giving the order to use force to put down the demonstrations. On one hand, Liu believes that "whoever ordered the soldiers to shoot should be punished according to the law".

On the other hand, he praises Deng's achievements as more considerable than those of Mao Zedong himself, and describes the changes wrought in China in the past few

"We must acknowledge that it was Deng Xiaoping who started the whole process of liberalisation under which China is gradually being merged into the mainstream

of world culture," he says. Bao Zunxin, another of the four so-called "hlack hands" - the prominent intellectuals who were accused by the government of masterminding the protest movement - would probably agree with Liu's assessment. But he attributes the economic liberalisation in China in the past year or so firmly and directly to the events of 1989.

Speaking in a small, book-lined study in his Beijing apartment, Bao, who served more than 40 months in iail for his role in helping to inspire and organise the protests, says thet. while the world seemed to stop in 1989, setually the shock of those events galvanised the leadership into action, preparing the ground for the sccelerated economic open-ing of 1992-93. He believes that Deng's tour of

southern China early last year, in which he urged speedier economic

reform, can be traced to Tianan-men. Likewise, hs believes, the Communist party's official embrace of a "market economy" at its 14th Congress last year was driven by the events of 1989.

"People did not make a sacrifice in vain. The movement was not a failure; it was not doomed," says Bao, who is in the same "non-per-son" category as Liu, sacked from his job as an editor of a highbrow literary magazine and banned from airing his views publicly in China.

Like other prominent intellectuals, Bao is extremely forthright with his views except on two issues. Asked bow history might judge Deng Xiaoping, he replies: "I don't want to talk about that." Asked whether he believes the Communist party would be in control in the year 2000, he responds: "Can you ask me something else?"

But Bao adds that China will experience s "hlg change" politi-cally before the end of the century. Among the more important legacies of the Tiananmen episode has been the stimulus given to debate among intellectuals about the fairly alien concept of buman rights in Chinese political tradition.

ui Wenhua, a philosophy teacher and author who wrote daringly on the subject in his book Altar of Rights, published in China in 1988, helieves that economic freedoms will ultimately lead to renewed demands for greater political freedom and an appreciation of individual rights.

A "non-person" himself - he was suspended from his job as a teacher at Beijing's Broadcasting Institute after the Tiananmen episode - Cui says s loosening of the government's grip on people's lives in the economic sphere was the "first and most fundamental step" towards greater freedom. "Sooner or later the Chinese people will have to realise they have a say in Chinese poli-tics instead of taking orders from one emperor," he declares.

These views may prove to be naive – the product of a unique moment in China's political evolution - but there is no question that debate is stirring on a whole range of issues. Among the more controversial is the future and nature of the Communist party, which is likely to find itself under increasing pressure, assuming that economic liberalisation is accompanied by strengthening demands for political

"If the party has enough wisdom, It will change its Marxist character to be more of a social democratic party," observes Liu. "The only way for the Communist party to save Itself is gradually to embrace reform and democratisation. The only thing that can save the party is the party ltself."

Japan's big computer makers will find the road back to profitability a hard one, says Alan Cane Hard look at soft option

ujitsu of Japan last year lost money for the first time since 1940 time since 1949. NEC has joined it in the red, while Hitachi has already reported stagnant sales and sharply reduced tax-

The three companies hand-picked by the Japanese government 40 years ago to lead the country's attack on the world's large computer market are reeling from the same blows that have had western computer companies on the ropes for the past three years.

Recession and economic instability have persuaded customers to trim capital spending. Rapid technological change has sown uncertainty and caution.
Through the 1980s, Japanese

mainframe manufacturers were sustained and protected by a huoyant home market. Large Japanese com-panies, some steps behind the west in data processing sophistication, were locked into the concept of centralised mainframes housed in data centres, a business model created and perpetuated hy International Business Machines of the US. Fujitsu, the spearhead of Japan's computer industry and the world's

number two information technology company, saw IBM as both its chief competitor and its principal role model. Its computers were functionally similar to IBM's and ran the same software. Its aim was to be the world leader in information technology through a "family" of compa nies in which it took equity stakes. Since 1990, that family has included ICL of the UK, in which it has an 80 per cent share.

Many saw Fujitsu's takeover of ICL as an opportunistic move which would make the UK company a Troian borse for Japanese ambitions in the European computer market. While the rationale for the takeover was ICL's need for a

well-heeled partner, Fujitsu's stake may prove to be its own salvation in a rapidly changing world. Today, the mainframe market is dwindling worldwide. The larger manufacturers are talking of a 40 per cent decline over the past four years. The market will not return; neither will yesterday's profitabilFor companies such as IBM and Fujitsu there is an obvious path back to the black. They have to shed staff to mstch overheads to likely levels of profitability. They have to shift their emphasis from mainframes to smaller computers

Many thought Fujitsu would make ICL a Trojan horse for its ambitions in the **European market**

and open systems, and they have to derive an increasingly larger share of their revenues from software and computing services rather than hardware.

Japanese companies bave an indifferent track record here. Lifetime employment may be withering, but they still find it difficult to shed staff. They have little experience of open systems, and their expertise in software and services is limited to

computer project abroad. Fujitsu, however, the only Japanese mainframe maker with a majority stake in a western computer company, has in ICL a rich

source of technical and managerial knowhow about the new shape of the computer industry. A cash crisis in the early 1980s forced the UK company to make early cuts in staff numbers. It bas widely acknowledged expertise in open systems. More than half its revenues are now derived from software and services. And It is profitable, making £38.6m pre-tax on sales of £2.48bn last year. It could be argued that ICL is mas-saging figures that are barely better than break-even, but it is better than the losses most computer companies are suffering.
Fujitsu is not optimistic about the

tural problems in managing s large

outlook for the current year, and unless its restructuring and costcutting programme is effective, It has bittle reason to be.

hold its own and, indeed, grow if and when Europe's economies improve. Fujitsu speaks of ICL as an elite member of its global family. Japan. A Japanese company would find it difficult to overcome the cul-Given the tenfold difference in their revenues, it would be ridicu-

ICL, on the other hand, should

lous to talk of reverse takeovers; but if Fujitsu looks to its UK subsidiary for guidance through the computing jungle, then ICL's influence with its Japanese parent should grow out of all proportion to ils size. Fujitsu, after all, has already entrusted its operations in the US and Europe to ICL's management. When it hought ICL in 1990,

Fujitsu said it would float the company on the London market within five years, giving it a value of at least £1.2bn. To date, the economy has not favoured flotation, but merchant bankers and advisers have been appointed and the company is gearing Itself up to go public. Inves-tors could find that, far from backing a Japanese Trojan horse, designed to invade the European computer industry, they will be investing in a European company ready to play a fundamental role in the restructuring of Japan's leading computer company.

OBSERVER

Dallara takes charge

■ With close to a hundred think tanks fighting for attention in Washington DC, finding figureheads who will both fit in and be noticed by the international community can take time. But one post which has taken a particularly long time to fill is atop the Institute of International Finance. However, Observer is glad to

report that the search is finally over. Charles Dallara, who takes over next month, has the sort of resume appropriate for an organisation whose two previous heads have been Andre de Lattre, former vice governor of the Bank of France, and Horst Schulman, long time German economic guru and, since the end of last year, president of the Landeszentralbank m Hesse.

Dallara, 44, is currently a managing director at J P Morgan, in charge of most of its non-American financing and advisory business. But he is best known in Washington for his service in the Reagan and Bush administrations as US executive director at the IMF and then as assistant treasury secretary for international affairs, which he left

in the middle of 1991. He has all the right connections and is on the boards of bodies such as the German Marshall Fund, the American Council on Germany

and the US-Japan Business Council. But the hig question is whether a body set up to help sort out the problems of the Third World debt crisis can find a new role for itself now that the debt crisis no longer looms so large in the affairs of its members.

False alarm ■ The National Audit Office's

doom-laden report on the buge cost of scrapping Britain's nuclear power plants is bedged around with all sorts of warnings about the difficulties of predicting what is going to happen over the next 100 vears. Even so, the NAO seems to have

added to the level of uncertainty by printing one of its main bar charts the wroog way round, with the result that the problem of medium level radioactive waste Is made to look even more alarming than it really is.

Management man

■ Could Tim Hely Hutchinson. founder of Headline Books, be the new Paul Hamlyn of British publishing? Having just agreed a £49m takeover of the £25-year-old publishers Hodder & Stoughton, he was refreshingly modest when Observer popped the question

yesterday. He stresses that he is not nearly as innovative as the fabulously wealthy Hamlyn, founder of Octopus Books and creator of a



whole new consumer publishing sector. "I'm only a manager," says Hely Hutchinson, whose father, the Earl of Donoughmore, will be non-executive chairman of the enlarged group.

Whereas Hamlyn is reckoned to be worth £180m, Hely Hutchinson only owns 3 per cent of Headline. which just about makes him s millionaire. But he is almost as young as Hamlyn was when he sold his first husiness to Cecil King's IPC in 1964 and thereby coined his initial

Given that he is nearly 30 years younger than 67-year-old Hamlyn, and probably running the second

largest independent publisher after Macmillan, young Tim is not doing too hadly.

Don't Hogg it ■ Guess who turned out to be the

party poopers at yesterday'e annual ministerial meeting of the Organisation for Economic Cooperation and Development?

While the US and Japan were

goading the Paris-based bureaucrats on to sver more ambitious tasks in foreign parts, British foreign office minister Douglas Hogg was being difficult. There were quite enough international bodies romping around former Iron Curtain countries, he reasoned. so why should resources be diverted away from traditional fields of

Nor had the organisation's annual 8 per cent cost increase escaped his eagle eye. Those tax-free salaries might be all very motivating, but who had considered affordability? The last person to raise this indelicate subject was Britain's ex- chancellor Norman Lamont, who had much the same thing to say on the subject of IMF and World Bank pay levels during his April sojourn in Washington

Invisible man

■ Hans van den Broek, the EC commissioner for external political relations, failed to show much sign of the Community's much-vaunted transparency yesterday. He turned up at the Commission's offices in London in the back of a large limo with heavily blacked-out

When questioned about his lack of visibility, the ever-cheerful Van den Broek quipped that this was just the car he used for shopping.

Got a light guv?

■ A director of Colombia's central bank, en route to s pow-wow with his opposite numbers in Venezuela the other day, was caught at Bogota airport with a small amount of marijuana.

He was released on the basis that it was only a "personal dose". It is hard to imagine the Bank of England's new governor "Hard" Eddie George lighting up a joint to relieve the boredom of the endless round of EC central bankers

But his new deputy, former Economist editor Rupert Pennant-Rea, may be more sympathetic to the plight of his unlucky Colombian colleague given his well-known desire to decriminalise drugs.

Cow patter

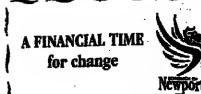
■ Two cows are grazing quietly in a field when one asks the other: "Do you ever worry about catching mad cow disease?

"Why should I?", replies the other, "I'm a duck."



FINANCIAL TIMES

Friday June 4 1993



Finance chiefs discuss aid bank's extravagance and low disbursements

Future of Attali as EBRD chief under discussion by G7 partners

By Peter Norman in Paris and Robert Peston in London

MR Lloyd Bentseo, the US Treasury secretary, said yesterday the Group of Seven leading industrial countries were debating the role of the European Bank for Reconstruction and Development following disclosures of extravagance in the setting up of its London headquar-

At a press briefing in Paris, before travelling to Russia for talks with President Boris Yeltsin, Mr Beotsen confirmed he had discussed the EBRD's low disbursaments to the former communist states of eastern Europe with the G7 partners, but be declined to give details.

Asked whether there was a case for removing Mr Jacques Attali as head of the EBRD, Mr for the Europeans." The other G7

members are Britain, France, Germany, Japan, Canada and

It emerged yesterday that a eting in Paris on Wednesday night of the G7 deputies - the senior finance ministry officials who prepare the group's work -dropped some planned agenda items and was devoted entirely to discussing the EBRD.

It is understood that it covered the bank's low disbursement of funds to the former Communist countries, questions surrounding its top management, and the need for better relations between the countries that own the bank and the people who run it.

According to a G7 official close to the group, some of the senior finance ministry officials present believed Mr Attali should be replaced as president of the bank. The G7 countries, which together have a majority stake in the bank, have been discussing possible candidates to replace Mr Attali, the official added. Mr Attali is reportedly fighting

for his job and there is no sign that the governments of the countries and agencies that own the bank, set up two years ago to make loans and investments in eastern Europe, have decided to remove him.

An official said that Mr Attali was drawing on his political capital to resist pressure to

Mr Attali is a former adviser to the French President, Mr Fran-cois Mitterrand. The EBRD chief appears determined to hold on to his job in spite of the expectation that a forthcoming audit of the bank's expenditure will be damn-

ing. Mr Attali's continuation in office is creating special difficulties for the US. Congress has tranche of capital for the EBRD.

The US administration fears that Congress will be reluctant to vote additional funds for other international financial institutions, on which the US is relying to channel aid and expertise to Russia and other former Communist

in a move that may have been inspired by receot allegations about the EBRD, Mr Bentsen said the US wanted to set up an aid utilisation office in Moscow "to make certain that every bit of money that goes to the transition effort is spent wisely."

Canadian and US officials have been particularly critical in the past few weeks of Mr Attali's performance. The UK is reserving its judgment until the audit report, which is due next month, is

Sihanouk

Strike call at Bank of France, Page 2

Burundi's Tutsi elite feel the winds of democracy

ethnic minority is bowing to the

Nearly 500 years after establishing their hegemony, and 30-odd years after Harold Macmillan warned white South Africa that the days of apartheid were numbered, Burundi's Tutsi elite seem set to surrender power to the country's Hutu majority.

On Wednesday the first democratic elections In the central African nation's history marked a watershed in a country scarred by tribal genocide.

Mr Melchior Ndadaye, a 40-year old hanker and leader of the Burundi Democracy Front, won 60 per cent of the vote to defeat Major Pierre Buyoya, the military president, The presidential poll is to be followed by legisla-tive elections on June 29, ending a two-year transition to demo-

"Mr Ndadaye needs to win both (elections) to have real control of the country," cautioned one west ern election monitor quoted by Reuters in Bujumbura, but the Tutsi's ancient hold on the country appears to have been broken. Major Buyoya, a former army officer who came to power in a bloodless coup in 1987, has presided over a transition as difficult

as any in Africa, overcoming a bloody history. Poor, remote, heavily dependent on coffee exports, and of little strategic interest to the superpowers, Burundi has been able to keep out of the spotlight directed on sonthern African minority

The Tutsi minority, an unusually tall race making up 14 per cent of the 5.6m population, have dominated the Hutu majority (85 per cent) since the 16th century. The colonial era saw little change in a near feudal relationship. In 1899, along with neighbouring Rwanda, Burundi became part of German East Africa. After the first world war German rule was replaced by a Belgian mandate which ended with independence

The Tutsi hold on power was reinforced by discrimination in the education system, civil ser-

By Kevin Done and John Griffiths

FORD and Rover are to offer new

car buyers unhappy with their

purchases the chaoce to

exchange their vehicles or receive cash refunds in compet-

ing schemes that break new

ground in the European car mar-ket.

to outflank each other yesterday

with rival announcements claim-

ing to be the first in the market-

Cash refund schemes to dissatisf-

ied car buyers have been pio-

neered in recent months in the

US including by Jaguar, the UK

place with the initiatives.

AFRICA'S longest dominating Michael Holman on changes in a country which once murdered its citizens at the rate of 1,000 a day



attempt in 1965 was ruthlessly suppressed, with many leading members of the Hutu tribe losing their lives. Worse was to come.

in April 1972 began one of the worst slaughters the continent has known. What started the bloodshed is unclear. Michel Micombero, a young Tutsi army officer who seized power in a coup in 1966, claimed to have discovered a Hutu plot aimed at exterminating Tutsi.

Whatever the cause, what transpired amounted to "the systematic killing of as many as a quarter of a million people...over a four-month period men, women and children were savagely murdered at a rate of more than a thousand a day," concluded an investigation funded by the Washington-based Carnegie Endowment for International

By mid-May, the US embassy in Bujumbura "started getting disturbing reports that the government was not just mopping up the rebels but trying to punish the whole Hutu tribe", the report recounted, drawing on embassy material: They tried to skim off the cream of the Hutu tribe, to kill every possible Hutu male of

distinction over the age of 14."

The four Hutu members of cabinet, nearly all officers and soldiers in armed forces, half the primary school teachers, bank clerks, businessmen and civil ser-

luxury carmaker, but both Ford

and Rover claimed yesterday that their UK initiatives were the first

Rover is to offer retail custom-

ers in the UK a new vehicle or a

cash refund within 30 days or

1,000 miles, if they are not satis-

Ford is introducing a "no

strings" offer to both retail and

fleet customers to exchange any

new car or commercial vehicle

within 30 days or 1,000 miles, if

the customer is dissatisfied.

Unlike Rover, Ford is not offering

Ford is offering, however, to

replace a car or commercial

vehicle or provide a refund

a cash refund after 30 days.

fied with their first purchase.

to be mounted in Europe.

vants perished in a selective The genocide that followed was largely ignored outside the country. The UN helped to assist the 150,000 refugees who sought refuge in neighbouring states, but otherwise stood aside.

> The Organisation for African Unity characteristically declined to act. During a June summit, the council of ministers sent a formal note to Mr Micombero: Thanks to your saving action, eace will be rapidly re-established, national unity will be consolidated and territorial integrity will be preserved."

International concern was ineffectual and short-lived, and Burundi returned to obscurity. Micombero was replaced in a bloodless coup by his cousin, Col Jean-Baptiste Bagaza in 1976, himself deposed by Major Buyoya.

His first act of reconciliation was to share cabinet posts between the two tribes, giving Hutu their first real voice in goverriment in 20 years and naming the first Hutu premier since 1965. But a further bout of ethnic slaughter in 1988 killed at least 5,000 people, giving renewed urgency to reform. Like the minority leaders in sonthern Africa, Burundi's president had

within the first 12 months, if the

vehicle has a "persistent defect". After six months the size of the

nally intended to be unveiled on

June 15, but details were hur-

riedly announced last night in

the wake of a Ford press confer-

ence held at only a couple of

hours notice yesterday afternoon. The Rover scheme as outlined

yesterday is not open to fleet cus-

The offer applies to customers

who have either paid cash for their cars or bought it through a

credit arrangement with Rover's

finance subsidiary.

set in train a process of change he can no longer control. Rivals offer new car exchange

bypasses UN to declare government

By Victor Mallet in Phnom Penh

PRINCE Norodom Sihanouk of Cambodia announced the immediate formation of a coalition government yesterday with him-self as head of state, prime minister and chief of the armed forces. The prince's declaration, issued by the royal palace was made without consulting the UN Transitional Authority in Cambodia (Untac) and was given a luke-

warm welcome hy Mr Yasushi Akashi, the Untac chief. Prince Sihanouk appointed as deputy prime ministers his son Prince Ranariddh, who leads the royalist party Funcinpec, and Mr Hun Sen, who was prime minister in the communist Phnom

terday. With most of the votes counted after last week's UN-organised election, Funcinpec has emerged as the strongest political party in the future Cambodian assembly, which is supposed to draft a new constitution and form a government within three months under a 1991 Paris peace plan. The Cambodian People's party (CPP), the old government communist party, came a close second.

In a statement to the Cambo dian people, 70-year-old Prince Sihanouk · appealed for reconciliation and described himself as the father of the nation.

UN officials put a brave public face on the announcement. One Untac official said privately that Prince Sibanouk's announcement could be seen as a constitutional

coup d'etat. The prince did, however, promise to recognize the assembly that will emerge from the elections. He does not appear to have contravened the Paris peace agreement's vague provisions for the three-month interim period after the election.

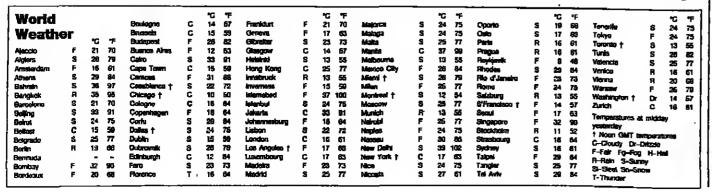
Mr Akashi, summoned to tha palace to be told of the new government said the initiative "could be a necessary instrument

for stability", provided the two main parties supported it. Funcinpec's reaction was not immediately known last night. In theory Funcinpec should be able to form a future government with the minority Buddhist Liberal Democratic party of Mr Soo refund would be reduced to reflect the mileage driven. The Rover scheme was origi-

But the administration remains in the hands of the CPP and a Funcinpec-CPP coalition is probahly the best recipe for peace in Cambodia.

The CPP, which controls the armed forces, discussed the new government with the prince yesterday and welcomed it as a means of maintaining much of its authority. It also seemed ready to drop its challenge to the election results based on alleged "irregularities.'

God-king finds role as conciliator, Page 8



THE LEX COLUMN

Volvo's spinning wheels

On the surface, Volvo's agreement with the Swedish government to carve up their joint interest in Procordia looks a rare example of a deal that pleases all sides. The Swedish government comes away with a focused pharmaceutical company which will be easier to privatise than Procordia's existing ragbag of businesses. Thanks to its Italian acquisitions the new Procordia will have critical mass in world drug markets. Volvo, meanwhile, acquires the cash-flow of Procordia's consumer products division and an earnings stream which will satisfy Mr Pehr Gyllenhammar's - albeit questionable - ambition to offset the cyclical nature of his automotive business

Still, the government seems to have come off best. Volvo has given up any aspiration to own a majority stake in the new Procordia. There is no longer a risk of other shareholders becoming an abused minority after privatisation. Volvo's right to restore its stake to 35 per cent may instead provide additional support for the shares. The new Procordia would have more appeal if Volvo were to exit the drug husiness completely, but Swedish business

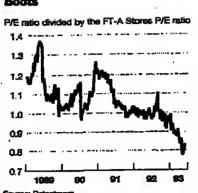
remains too nationalist for that. The initial hurdle for Volvo is the cost - of some SKr3.5bn on the basis of yesterday's official valuation - of buying out minority shareholders in Procordia's consumer products business. Volvo may consider that the resolution of the Procordia uncertainty strengthens its hand in merger negoti-ations with Renault, but that deal hardly seems imminent. While they wait, Volvo shareholders might ponder why they should increase their interest in mineral water, beer, matches and hotels, if Procordia has become more marketable without them.

KLM

The Dutch carrier's annual results come as a stark reminder of the sickly state of the international airline industry. Despite useful progress in trimming costs and winning market share, KLM Royal Dutch Airlines dived into a Fl 562m loss. As British Airways' latest traffic figures confirm, passengers retain an annoying preference for the cheaper seats at the back of the cahin, wrecking airlines' profitability. With 350 per cent gearing and sharply declining aircraft yields, KLM is under considerable financial pressure. This must only add to the impetus to consummate its proposed inte-

gration with SAS, Swissalr and





Austrian Airlines. The rationalisation of corporate overheads and airport facilities would quickly release working capital. Fleet harmonisation and the disposal of holdings in other associated airlines would yield longer-term financial benefits. KLM may do especially well out of a merger if, as seems probable, its Amsterdam hub provided the combined airline's operational cen-

Yet the complexities remain awesome. With six national governments, four corporate managements, and several sensitive trade unions involved, the discussions may well drag through the summer. Any hitches would further undermine KLM's faltering share price. But they would come as a welcome relief to Air France as it begins to roll down the privatisation runway.

Boots

Every time it seems fair to draw a line under Boots' ill-fated £900m Ward White acquisition, something else goes wrong. The further deterioration in the Do It All home improvement chain is just the latest misfortune. Given that neither W.H. Smith nor Boots seems sufficiently confident of a cure to pump substantial extra cash into the ailing joint venture, one wonders how long it will be before Do It All is quietly put to sleep. At Halfords the turnround is welcome, but it comes much too late for much credit to attach to Boots' management. The fond hope that Halfords can double its turnover while raising its margins fivefold also looks odd since Boots has conspicuously failed to translate the success of its chemist chain to any other retail area.

Unfortunately, it is not as though things were going well in pharmacenticals. Manoplax continues to develop complications, and it will never make substantial profits, even if it remains on the market. Without it, the company's new drugs pipeline resembles a

rather leaky garden hose. The group's saving grace is the Boots the Chemist chain, which continues to throw off cash at a remarkable rate. Margin growth may now be slowing, but Superdrug's attempts to portray Boots as expensive may stick. Boots is still trying to push up may gins while others, such as Marks and Spencer, are passing efficiency improvements on to customers to reap volume gains. Much of that risk is reflected in Boots' discount rating to the stores sector. Still, the fear remains that the company is strategically challenged and may use its strong cash flows to go on another reckless spending spree.

Invesco MIM

The scale of non-compliance uncovered at Invesco MIM is staggering. While those responsible deserve opprobrium, the more serious question is how one of the UK's largest invest-ment managers was allowed to get into such a state. Since some of the 55 charges go back to 1988, the regulators and the company's auditor had tima to spot trouble before Mr Maxwell's raid on the Mirror Group pension fund brought matters to a head. Having fined Invesco for mismanaging personal equity plans in 1989, Imro should bave clamped down on lax standards elsewhere in the group.

The improvements to Imro's proce.

dures recommended by the Securities and Investments Board - and the tough new style for SIB advocated by Mr Andrew Large, its chairman might close the more gaping holes in the regulatory net. But it is hard to imagine that the fine imposed on Invesco will act as much of a deterrent. While there is little sense in beaping fines on a company now diligently putting its house in order, SIB should consider wheeling out its asyet-unused powers against individuals in such cases. That might help generate the commitment to compliance that has evidently been lacking.

After almost three years living hand in glove with the regulator, Invesco at least should demonstrate an exemplary record from here on. It is hard to argue that the regulatory system has come through in good shape.

This announcement appears as a matter of record only.

May, 1993

Finance & Fam: 14



Pilkington plc

£80,000,000

7½% Bonds due 1998 and 78,200,000 Warrants to procure the allotment of Ordinary Shares of Pilkington plc

> Issue price of the Bonds and Warrants: 1183/% of the principal amount of the Bonds

J. Henry Schroder Wagg & Co. Limited

Cazenove & Co.

Goldman Sachs International Limited

S.G. Warburg Securities

Barclays de Zoete Wedd Limited

Commerzbank Aktiengesellschaft

Credit Suisse First Boston Limited Hoare Govett Corporate Finance Limited

Deutsche Bank AG London

UBS Limited

J.P. Morgan Securities Ltd.

Westdeutsche Landesbank Girozentrale

Standard Chartered Capital Markets Limited

Yamaichi International (Europe) Limited

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wheels Uniceturately A car bomb in Ricals Managhan Florence only 10 complication 5 days ago killed five people and By's new drug rather leaky garden reminded Italy Boots the Charmet of the honourable tinues to throw if able rate. Married to the state of the state society's muscle. But the big battle remains in Sicily where the state

crime, reports cally challenged strong cash flow Robert Graham reckless spending spra-

> HOSE murdered by the Mafia in Sicily are accorded magnificent firmerals. As if to compensate for society's inability to protect them, the coffins are decked with enormous wreaths of flowers and there are great outpourings of grief. Dignitaries of church and state attend in all their finery to eulogise the dead. Yet, once buried, the names of the victims disappear from the public's

is cracking down

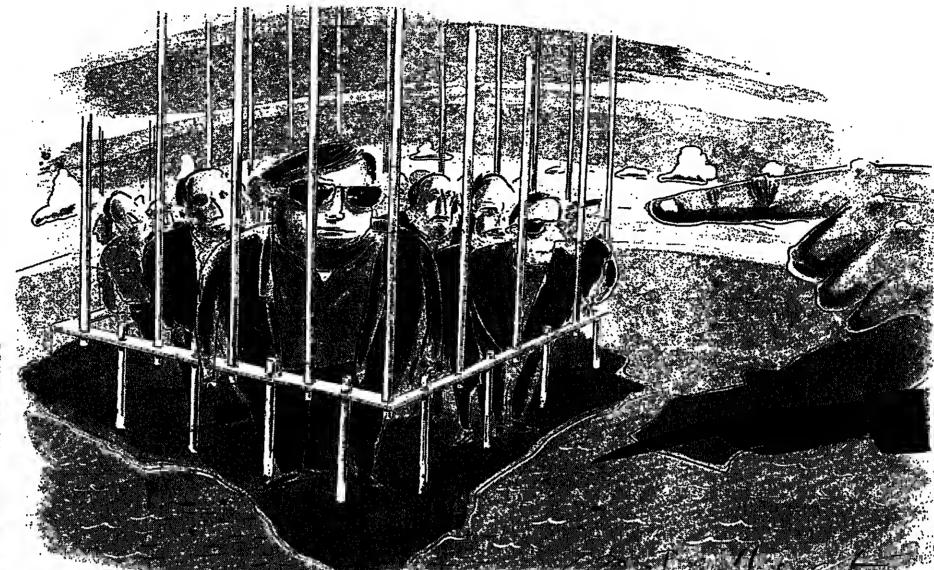
on organised

Giovanni Falcone is an exception. The hrutal murder of this anti-Mafla magistrate just over a year ago has made him a latter-day martyr and a symbol of all that is uncorrupted in Italy's body politic. His killing, followed two months later by that of colleague Paolo Borsellino - both blown up by bombs has proved a turning point, both in public attitudes towards organised crime and the willingness of the government to fight it.

By its actions, the Mafia oversten ped itself. The challenge to the authority of the state became too great to ignore, and the traditional short-lived responses to such outrages - debates in parliament, a flurry of police activity, the round-up of a few token matiosi -

were no longer tolerable. The state has taken the war to tha Mafia," says Giorgio Musio, the prefect (police chief) of Palermo. Especially among the young, there is a new mood. People want to stand up to the Mafia and break with the tradition of omerta (the vow of silence traditional among mafiosil. Among Mafia members themselves, these violent tactics have provoked divisions, causing some to turn against the honoured

Musio represents the new stamp of authority in Palermo. He was drafted there last August from the tranquility of Florence to boost morale among police shaken by the killings, and to co-ordinate more effectively tha three different services: police, carabinieri, and guar-



At war with the Mafia in an island of fear

this, General Carlo Alberto Della Chiesa, was gunned down with his wife in 1982.

The stiffened resolve of the state is only one aspect of change. The wave of corruption scandals sweeping Italy have weakened the Christian Democrat and Socialist parties which long provided political protection to the Malia in sonthern Italy in return for votes. Now, the Palermo judiciary – described by Falcone as "a den of vipers" because of its Mafia infiltration and political intrigue - is being cleaned

Giancarlo Caselli took over as

dia di finanze. But he will not have Palermo's attorney-general in Janu- converted them into the nation's by name for the first time and con- the first maxi-trials of Mafia bosses forgotten that the last prefect to do ary and, within three months, pro- conscience and, already, they have demned it - a crucial step because during the mid-80s. He proved that duced a dossier on the alleged con nections between the Mafia and Giulio Andreotti, the veteran Chrisis worried. tian Democrat politician who has In many ways, they have served seven times as prime minister. Last month, MPs agreed Andreotti - who denies the claims -

> that could lead to prosecution. At the popular level, the Mafia is confronted with the indomitable presence of Falcone's two sisters and the widow and two sisters of Borsellino. They have been relent-less in their calls for justice. Their dignified anger in bereavement has

should lose his parliamentary

immunity and face investigations

threats - a sure sign that the Mafia

acquired the same moral force as that of the Mothers of the Plaza de Mayo, who hecame Argentina's conscience for the "disappeared" dur-ing the years of military rule. And the Pope seemed to formalise this status last month when, on his third visit to Sicily, he received them in private audience. He also caught the changed mood of the island. Celebrating mass in the grandiose valley of Greek temples at Agrigento, he spoke of the Mafia

the Church, a powerful influence in the island, has been accused for years of being too passive in the fight against the criminals.

Falcone recognised that Cosa Nostra, the umbrella group of the Sicilian Mafia, was the most dangerous organisation of its type and far more powerful than its associates, the Naples-based Camorra, the 'ndrangheta in Calabria and the Sacra Corono Unita in Puglia. As such, the battle against organised crime in Italy had to be fought primarily by defeating and isolating the Sicilian godfathers.

His patient detective work led to

Through use of a few key former members willing to turn state's evidence - the so-called pentiti - he showed that it was organised through a series of regional committees controlled by a commission of the leading clans, which took all major decisions. This made him a marked man - and he knew it.

Cosa Nostra operated with a formal

structure as a state within a state.

Although tha most heavily-protected public servant in Italy, with 60 round-the-clock bodyguards, the Mafia managed to discover his travel plans - almost certainly via a mole in the interior ministry. As his

convoy of three armour-plated cars drove from the airport towards the centre of Palermo, it was torn apart hy a huge explosive device planted in a storm drain, A similar technique was used to kill Borsellino as he visited his ageing mother in one of Palermo's countless high-rise flat

Today, the motorway has been re-

surfaced and only a strip of red paint on a roadside fender marks where the convoy was blown up. in Palermo, the make-shift memorial to Borsellino is less anonymous. A small shrine of flowers and a bill-board covered with simple messages of condolence marks the site of his murder. Behind these simple tributes lies

a whole series of measures which seem to show that, after decades of impunity, the Mafia is on the defensive. The most visible evidence is the capture of the alleged two top figures in the Cosa Nostra hierarchy: "Toto" Riina and Nitto Santa-

Riina, with his squat huild and steely eyes, is said to be the "boss of bosses," heading the clans from a base at Corleone, near Palermo. Arrested on January 15 in Palermo, he had been on the run for 23 years. Then, last month, police graphed Santapaola, allegedly the Cosa Nos-tra number two and head of the newer clans in Catania, Sicily's second largest city, Wanted for 10 years, he is thought to have had a role in the killings of Della Chiesa, Falcone and Borsellino.

Riina could have been betrayed. Experts on the Mafia, like criminologist Pino Arlacchi, claim he broke with its tradition of ruling through consensus and, instead, imposed his will violently with an army of 500 gunmen. Bolstered by the profits from the drugs trade during the '80s, Riina believed the old "co-babitation" with the politicians was no longer necessary. And he had no compunction in getting rid of oppo-

nents like Falcone. The theory goes that, as a result, Riina brought too much pressure on the organisation and part of Cosa Nostra felt he had become a liability. This scenario is backed by the testimony of his former chauffer, Baldassare Di Maggio, arrested in December and now a pentiti. As one member of the anti-Mafia team in Palermo noted: "The fact that Riina's chauffeur has turned against him is very important. Di Maggio was not party to the inner secrets of Cosa Nostra hut he was the man most trusted by Riina, collecting him from where he lived and taking him to all the meetings."

The role of the pentiti is crucial to action against the Mafia. The first of these "super-grasses" came forward in 1984 - Tommaso Buscetta, a former Palermo boss who fled to Brazil. He was followed in 1989 by Francesco Marino Mannoia, the chief "chemist" (working with heroin) of one of the clans that lost out to Riina in the hitter battle to gain control of Cosa Nostra. Both sought protection in the US and their evi-

■ Continued on page VII

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zinc-painted warriors

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Private View: Christian Tyler meets actor Robert Stephens



Preparing herbal remedies in Hong Kong, A pain free shopping guide to

the Crown colony

Gardening How To Spo

The Long View / Barry Riley

When brass is greener



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THAT VULGAR people should make a lot of money by going into "trade" has long been deemed offensive by the more refined classes in Britain. But there are more interesting trends behind the present explosion of protest

executiva pay has reached extraordinary levels. Once, you had to create a business rather than run it in order to become truly rich. But not any more. Remember that the average wage in Britain, the would-be sweatshop of the European Community, is £16,500 a year. The rate of earnings growth has slowed from about 6 per cent in 1992 to 4 per cent at the latest calculation. Last year, however, the average director of a constituent company of the FT-SE 100 index received some 13 per cent more even though, on average, profits fell and dividends stagnated. This is no more than the continuation of an established trend. Throughout the 1980s, the pay of top executives of listed compa-nies rose roughly twice as fast as that

over the rewards of top businessmen. The same resentment, after all, is

apparent in less elitist America, where

of humble workers. We have been seeing a step change in differentials. The opportunity for this arose in Britain from 1979 onwards when top salaries ceased to be restrained by pay controls and there were high marginal income tax rates (which favoured nonpay benefits). The primary reason for the shift, however, is to be found in the changes in corporate ownership patterns which have presented executives with hitherto undreamt-of power because of the bizarre strategy of institutional shareholders.

Pay levels of £500,000 to £1m are now quite common for hig company bosses. Moreover, they are positioned to make extravagant raids on company pension funds, being granted retirement incomes vastly out of proportion to the contributions paid on their behalf (although the £75,000 cap on eligible salary imposed in 1989 will, gradually,

restrict this bonanza). Finally, these pay levels do not even reflect high con-tractual risks because vast compensation packages are paid out even to exec-

utives who have cost shareholders dear. In an earlier phase of capitalism, com-panies were run by proprietors. They would direct the strategy and, as owners, would have a clear long-term commitment. However, they would hire managers to run the factories. A good manager was worth a decent salary, and might even be encouraged to wear a bowler hat, but he would not be allowed to get above himself; he called the proprietor "sir" (or, in a family com-"Mr John" or "Mr Richard") and could be replaced easily.

It is quite different in the modern

public company. Some 60 per cent of the shares are, in a typical case, owned by institutional investors. They do not have the time or the inclination to act as proprietors. They treasure the right to sell at will, a freedom they would lose if they were to enter into commitments and thereby become "insiders". In place of proprietors, we now have recommended boardroom structures.

bese have been defined clearly recently by the Cadbury Committee on corporate governance. Guidelines have been laid down for the chairman and the non-executive directors. Compensation committees and audit committees are supposed to keep boardroom greed under control and ensure that distant shareholders are properly informed. It is proprietorship by proxy, and the clear message from the grotesque pay spiral is that it is not working.

Who exactly are these proxy proprietors, the non-executive directors? There are two pools. One is a group of professional directors and advisers, of highly variable experience and status and of uncertain effectiveness. The other consists of senior executives who are encouraged to take up non-executive directorships in other companies. They are classic cuckoos in the nest. The idea is that they can pass on their wisdom and spot trouble in the making.

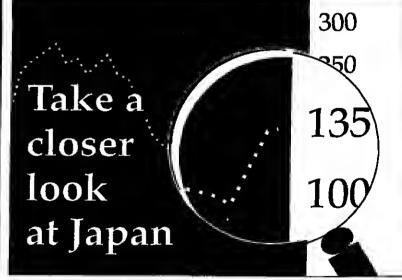
Perhaps, but they are managers playing at being proprietors, and it is dangerous to muddle up the roles.

It is plainly in their self-interest to encourage the pay spiral, which they are doing with some vigour. They may, of course, consider that they are being given oods and winks by the institutional shareholders, whose bosses are themselves benefiting from exactly the same widening of differentials. For instance, I liked the story of George Greener, the chairman and chief executive of the life insurance company Allied Dunbar. Greener, who ekes out an existence on the modest salary of £660,000, took on another responsibility recently within the parent BAT Industries. He did this without extra remuneration because - a spokesman explained - money isn't everything.

His near-namesake Sir Owen Green who has just retired as chairman of BTR (where he was paid a pittance of £217,000) has attacked rampant greed in the boardroom. But are top managers really any greedier than they ever were? What appears to have changed is that they have the opportunity.

One or two leading institutional shareholders, such as PosTel and Gartmore, appear at least to be seeking more information about what is being decided in the remuneration sub-committees. But the institutions will have to organise themselves properly, and lay down appropriate henefit scales, if they are to gain control of top executives' pay. Managerial capitalism is taking over from proprietorial capitalism. The rewards are being diverted to where the real power is. For a glimpse of the future, look at the pay packages worth tens of millions of dollars being enjoyed by top US executives.

To head this off, British institutions will have to form strategic commitments to companies and be ready to supply control and direction. The top executives of the companies should be made to feel a little scared, and should judge that it is appropriate to say "sir" when speaking to their owners. But perhaps, to soothe bruised egos, they could be permitted to wear bowler hats.



So far this year the Japanese stockmarket First Section has increased by 34%*, in Sterling terms. This follows a three year period in which company profits have almost halved. We believe the recent market advance marks the beginning of a rally which will gather pace as firm evidence of better company profits comes

To make sure that you do not miss out vou should consider investing now.

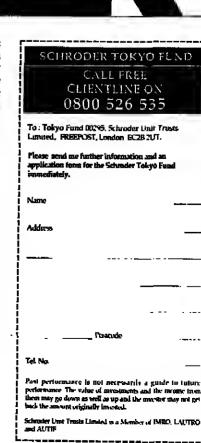
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MARKETS

London

Investing in the cult of personality

By Peter Martin, financial editor

global communication needs of WEDNESDAY, the stock market had to divide its attention hetween a £500m bet on the property cycle and a \$5bn commitment to global leadership in the 21st century's most important phone & Telegraph.

No prizes for guessing which stimulated more excitement. It The contrast between the wss the announcement that George Soros, "the man who broke the Bank of England" on Black Wednesday, was buying a £34m stake in British Land and setting up with it a £500m vision and abilities. Soros's property play was a reassuring validation - by the partnership to buy UK property, investors pushed up British Land's shares by 46p to 344p, hrushing aside the company's accompanying £132m

rise 6 per cent on the day. By comparison, British Telecom's news had much less impact on share prices. BT is paying \$4bn to huy a 20 per cent stake in MCI, America's second-higgest long-distance phone company, and creating a \$1bn joint venture to serve the

2829.9

3175.1

306

407

370

324xr

207

601/2

350

803

45414

151

-10.S

+9.7

+11

-15

+31

+401/2

+13

+7½

+81

+24

-261/2

+27

+50

+8

Source: FT Graphite

+251/2

FT-SE 100 index

British Aerospace

British Land

Goal Petroleum

Land Securities

VSEL Consortium

Source: Halifax

Sun Alliance

Vodafone

Smithkline Beecham A

Airtours

Forte

FT-SE Mid 250 Index

rights issue and helping the

property sector as a whole to

multinationals. BT shares closed down 5p on the day, at 421%p. The only side-effect was a mild flurry of interest in the shares of Cahle & Wireless and Vodafone, seen as potential partners for American Tele-

two reactions illustrates, perhaps, that investors are more comfortable with straightforward questions of timing and personality than complex judgments about a company's

man who is, at present, the world's most influential investor - of the conclusion the market reached some time ago: that the UK property market is past its worst. Since investors cling to the visceral belief thet timing property right is one of the few sure-fire ways of making money in the UK, their reaction is not surprising.

As the chart alongside shows, however, in the very long run nelther property

HIGHLIGHTS OF THE WEEK

2957.3

3191.4

345

4451/2

373

325

209

513

362

810

188

4571/2

376

166%

Share price and index relative to the FT-A All-Share index FT-A Property Sector 1985 65 67 68 69 70 71 72 73 74 75 76 77 78 79 80 61 82 83 84 85 86 87 88 89 90 91 92 93

shares in general, nor the talents of John Ritblat, British Land's boss since 1970, are a guarantee of sustained outper-

The long march of the property sector

The question hanging over property shares - is there still lots of recovery to come, or has the 92 per cent rise since Sep-tember exhausted the immediate potential for gains? - is also an issue for investors considering other kinds of cyclical stocks. For property, the Soros/ Rithlat deal went some way to assuage any worries this week. For other cyclical sectors, however, the jury is still out - a thought underlined by research note from Sushil

Goldman Sachs. Looking back at how cyclical sectors have done during other recessions, they find that the usual period of outperformance, as the market anticipates economic recovery, comes to

2737.8 Pading interest rate hopes

Rumours of acquisition plan

Joint venture/stake in MCI

170 Some UK brokers turn positive

North Sea drilling succe

435 Sector boosted by Soros deal

513 Profits above market forecasts

121 Favourable results

Post-demerger buying

Sale of corporate jets busine

Partnership with George Scross

Worries about US healthcare reforms

Transettentic increases stake to 3%

367 May sub flas/US holdings up to 18.6%

2876.3 Switch from blue chips

Wadhwani and colleagues at

an end 6-9 months after the economy touches bottom, to be followed by a period of underperformance

If September 1992 is the trough of the most recent recession, that might make you think that the period of strong gains by cyclical stocks is now drawing to a close. Goldman Sachs concludes, indeed, thet a large part of the cyclicals' outperformance is probably over.

Every cycle has its quirks, however. One striking factor this time is that the market's fears that ERM membership would prolong the recession long beyond its natural trough postponed the moment at which the cyclicals' ontperformance began. Usually, a number of cyclical sectors hanks, property, electricals, huilding materials - start outperforming the rest of the market well ahead of the moment the economy starts its own

This time round, that did not happen. Almost all the cyclical sectors did worse than the market as a whole in the period before Black Wednesday. They bave since done much hetter, hut some may still have ground to make up to compensate for their relatively late start in the business of outperformance. Goldman Sachs thinks contracting and construction, electricals, hotels and leisure, motors, and (you guessed it) property are all sectors where there is still scope

for further outperformance. For the market as a whole, this was another week trapped inside the trading range of 2,780 and 2,880 on the FT-SE 100 index. The upper and lower boundaries of this range, set six weeks ago, came under lit-

tle threat in a week when much of the City seemed still to be celebrating Monday's hank holiday. For those at their desks, there was the stimulus of renewed speculation about a possible cut in base rates, perhaps timed to accompany Kenneth Clarke's first set-piece policy speech as chancellor at the Mansion House on

Bank of England actions in the money markets appeared first to be steering the market away from this conclusion, by keeping money tight, then to be lending support to it hy offering money on a two-wee basis (which coincides with the speech) rather than the more normal three. The net effect of these actions - and of some money supply figures which raised the possibility that the recovery was slowing down prematurely - was to leave a lingering impression that an interest rate cut might indeed

As the week drew to a close, the most intriguing news was the announcement that Transatlantic Holdings, the financial services group chaired hy Donald Gordon of South Africa. had taken a 3 per cent stake in Sun Alliance, the insurer, "We see this as a strategic investment in embryo," said Gordon, implying that, in time, the embryo would grow.

in the mid-1980s, Transatiantic acquired a similar embry-onic shareholding in Sun Life, which matured in time into a 50 per cent controlling stake. On Friday, the market reacted to this thought hy marking Sun Alliance shares up 5 per cent, to 350p. As with George Soros, the "who" of the investment was more important, in the short run, than the "what." Serious Money

A new way to put Pep in a mortgage

By Philip Coggan, personal finance editor

VER SINCE personal equity plans were first sold in 1987, there has been scope for investors to use them as a mortgage repayment vehicle. They would appear to have many advantages: tax-free income and growth; a return based on equities (which have been shown repeatedly to be the best long-term investment); and flexibility. But the Pep mortgage has failed singularly to break through into the terri-

tory of the endowment policy. The initial problem was lender reluctance to accept a Pep as security. More recently, it seems to have been the low rates of commission paid relative to endowment policies; this reduces the incentive for brokers to sell Pen mortgages. A new product on offer from Capital House, part of the

Royal Bank of Scotland, aims to challenge the endowment's domination. The Synergy mortgage plan combines a unit trust Pep with life assurance. The idea is that the combined premium will be lower than for an endowment designed to repay the same sum.

There are some ingenious

features. The amount of life

insurance varies each month, so that the Pep's value, plus the life insurance, is always equal to the loan. Therefore as the Pep increases in value, less needs to be spent on life insurance and more can be invested. In order to sell the idea, Capital House has put together a packaged product, thereby giving it scope for paying greater commission. The snag for the borrower is some endowmentstyle charges. For a 25-year loan, half the first two years' premiums will disappear in fees. in addition, a flat admin-Istration fee of £2.35 Is deducted from each monthly payment. The underlying unit trusts have a 6 per cent initial

1.25 or 1.5 per cent. Given all these charges, how is it that the plan is "cheaper"

charge and an annual fee of

than an endowment? in part, this reflects the costs involved in an endowment policy. But it also relates to growth assumptions of the policy. In order to repay a mortgage, you must assume that the money invested grows at a set rate per year. The higher the growth rate you assume, the smaller the premiums you need to renav a given sum.

In the case of the Synergy mortgage, Capital House is assuming a 10.5 per cent growth rate, the middle of the range permitted hy regulators for Peps. When quoting rates for endowment policies, the assumed growth rate is normally around 7.5 or 8 per cent. Of course, returns within a Pep are free of both income

and capital gains tax. Although the eventual payout from an endowment policy is tax-free, the life fund in which the money is invested is subject to tax. So, it is legitimate to assume that a Pep will grow at

There is nothing guaranteed about it, though, indeed, the regulatory growth assumptions will shortly be reduced so that, from September, Capital House will probably have to quote on the basis of 9 per cent returns. There are other factors which might upset the assumptions; tax rates on dividends may change (as they did in the Budget); Peps could be abolished (in which case, the unit trust element would continue hut the tax breaks would diminish); and a very good life fund manager might outperform a Pep fund manager.

The investment assumptions are very important. Take the example of a male, aged 40. wanting to borrow £50,000. The Capital House sum requires a premium of £66.85 a month compared with £72-£80 for endowment policies, But if you assume the Pep grows at only 8.5 per cent a year, the plan would fall short of repaying the mortgage hy some £13,600,

in practice, this would not

happen. Premiums would be increased when it became clear investment performance was worse than expected. But suppose that endowment providers, instead of assuming 7.5 per cent returns, went nearer the top of the permitted range allowed by regulators.

Take the premium needed to repay a £30,000 loan for a male aged 29. Capital House quotes £37.45 a month. Standard Life. quoting on the same basis. came up with £42.84 a month on its normal assumed growth rate of 7.5 per cent. Had it assumed 9 per cent a year, its quote would have been £35.07; and at 10.5 per cent a year, the

premium dropped to £28.74. A Pep is more flexible than an endowment. Investors should not suffer unduly if they want to cash in their plan - and repay the mortgage after, say, 18 years. The value of their plan is easy to ascertain. But the surrender value of a with-profits endowment after 18 years is at the discre tion of the life company. Even the more transparent unitised with-profits policies allow for a "market adjustment factor" on

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early surrender. The cautious might argue that there is no equivalent to the with-profits endowment policy's "guaranteed sum" on the Synergy plan. But the guaranteed sum is not sufficient to repay the mortgage; it is simply the base sum to which bonuses are added.

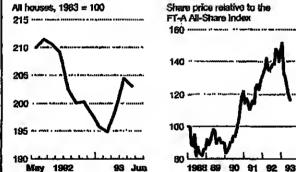
What about the investment credentials of Capital House? The Pep is based on two unit trusts: Managed, and Income & Growth. The former, previously known as Global Opportunities, was 81st out of 116 funds in its sector over five years; the latter was 13th out of 97 over the same period. One hopes that the example of Capital House will spur other investment groups to push the Pep mortgage, giving

investors the prospect of com-

petition on charges and a

choice of funds for investment.

AT A GLANCE House price Index Share price relative to the



Contradictory data on **UK house prices**

HOUSE prices in the UK fell by a seasonally adjusted 1.2 per cent in May, according to the Halifax House Price Index. Prices had risen 1.4 per cent in March and 1.7 per cent in April. House prices are now 3.3 per cent below a year ago, compared to last month's figure of 2.3 per cent down on the year. But figures from the Nationwide building society this week showed a 1 per cent rise in house prices in May, with prices down 5.5 per cent from a year ago. The Halifax and that the housing market showed clear signs of recovery, but warned that realistic prices were still necessary to generate house sales. The Halifax predicts a gradual recovery in 1993, becoming more sustained in 1994, when house prices should grow broadly in

Market frets over Boots

BOOTS announced a 19 per cent increase in pre-tax profits, but its shares have underperformed the market by almost 25 per cent since January. The share price has been knocked by City fears that the group's strategy in the face of price competition from rivals such as Superdrug could threaten margins at Boots the Chemist, and that problems with the US authorities over Manoplax, a heart drug, could cut profits at Boots Pharmaceuticals.

New BES launched

MMI this week launched Homemaker, a Business Expansion Scheme company which will buy residential properties in the midlands and north of England, to be let as assured tenancies. It offers investors a covenanted return after five years of £1.23 for each £1 invested, equivalent to a net arrural return for higher rate taxpayers of 14.1 per cent. For basic rate taxpayers it equates to 9.9 per cent. The return is covenanted by Davenham Group, and is supported by cash deposits to meet 100 per cent of its obligations, investors will receive 50 per cent of any excess in the value of the properties when they are sold. The minimum investment is £1,000, and the issue is limited

Britannia claims to have found a way round a proposed amendment to the finance bill which would cause investors in loan-back BES companies to lose tax relief on loans taken up after June 30. Britannia has written to investors in schemes launched in March offering them the opportunity to complete a loan before June 30. Loans could not previously be taken up until six months into the

Firstdirect alters charges

Firstdirect is to restructure its charges for excess overdrafts from the end of July. The current £15 charge for phoning or writing to a customer about an excess overdraft will be abolished, but instead the flat fee for exceeding an agreed overdraft will go up to £25 from £20 per calendar month. The charge for each subsequent day during the month that the overdraft increases will rise to £8 from £5.

Charges for authorised overdrafts are not affected. The APR for authorised overdrafts is 17.4 per cent, and for unauthorised overdrafts 31.6 per cent.

Small companies index rises

Small company shares continued to rise last week, with the Hoare Govett Index (capital gains version) increasing 0.64 per cent from 1440.45 to 1449.71 over the seven days to June 3.

Wall Street

Dealers obsessed with simple little number

OMETIMES, as every well-dressed woman knows, a plain hlack dress ontshines the most glamorous couture.

So it was with Wall Street this week. A multi-billion dollar alliance between British Telecom and MCI, the second largest long-distance telephone company in the US, and a record-hreaking flotation failed to divert investors from one simple concern: inflation. Having spurted to an

all-time closing high 10 days ago, the US stock market hung on to these levels for the first couple of days after the Memorial Day weekend. But it failed to push ahead to new highs, and the closing levels on Tuesday and Wednesday fell slightly shy of 3554.83-mark which the Dow Jones Industrial Average had reached on the previous Thursday.

Moreover, by the latter half of the week, traders were essed with the employment data due to be released on Friday morning. In the event, they had good reason to be worried. The May employment report showed a rise 209,000 of in non-farm payrolls last month – considerably more

HARES IN commercial

property companies

have hit the roof. This

week, when George Soros, the international specu-

lator, announced he was sink-

ing £284m in UK property, the

sector rose by more than 6 per

This added further sparkle to

the revival in property share prices that started last Septem-

ber. Since sterling left the

exchange rate mechanism, cuts

in interest rates, hopes of eco-

nomic recovery and the pros-

pect of higher inflation pushed

the property sector up by 92

per cent, compared with a 26

per cent rise in the FTA-All

The stock market's enthusi-

asm for property shares is highlighted in the relationship

between share prices and net

asset values. As the chart

shows, shares in property com-

panies usually trade at far less

than the value of their under-

lving assets. Now - and for

only the second time in 15

years - shares are trading at a

There are two reasons. First,

investors have been attracted

hy property shares' higher-

premium to asset value.

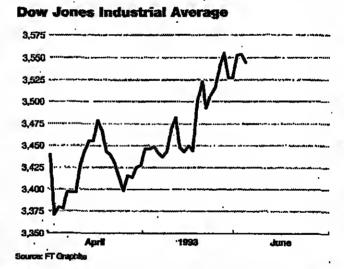
cent in a day.

Share index.

than the 155,000 which many analysts had predicted. The unemployment rate fell hy one-tenth of a percentage point, from 7 to 6.9 per cent. Most forecasts had suggested

that it would stay unchanged. On the one hand, the surprisingly strong numbers seemed to alleviate some of the recent concerns about the strength of the US economy's recovery. But from the viewpoint of both the equity and hond markets, they also reinforced the notion that inflation may have crept back into the system - in turn, suggesting that the Federal Reserve will seek to raise interest rates. Long-dated government securities slipped on news of the jobs data, bond yields rose, and shares prices eased back. By noon, the Dow Jones Industrial Average had lost slightly in excess of eight points, at 3536,56.

Perhaps the best description of Wall Street's current mood came from the pundit who likened it to a tug-of-war. At one end of the rope are the bulls, who see an economy rebounding but with enough lingering weakness to hold inflation at bay. At the other are the



hears, who see rising prices and interest rates at every turn. Last week was a small victory for the latter.

Amid these "big issues", few stocks grabbed much of the spotlight. The notable exception was in the telecommunications sector where repercussions from the BT-MCI link-up were widespread. Essentially, the deal involves BT investing \$4.8bn for a 20 per cent stake

in MCI, and the two companies in setting up a \$1bn-plus joint venture. This enterprise, in which BT will hold the majority stake, plans to concentrate on fast-growing demand from mnitinationals for international voice and data transmission services. As such, it represents a direct challenge to efforts by American Telephone & Telegraph to corner this type of international custom.

until 1994. Still, with BT prepared to pay an average \$64 per MCI share, the US company's stock rose sharply and hung on to some of those gains. MCI shares, which had closed at \$52 ahead of the deal's announcement, were trading at more than \$54 on Friday morning. By contrast, AT&T, which also announced last week that

BT will invest its money in

MCI in two tranches, and the

deal will not he completed

it was linking up with Viacom to test a new video-on-demand technology, dipped immediately but quickly recovered. They ended the week little changed. BT's American Depositary Receipts were the loser, shedding about \$4 to end the week at \$64%.

The other important event of the week was the flotation of a 20 per cent stake in Allstate, the second largest writer of home and car insurance policies in the US after State Farm. It was wholly-owned by Sears, Roebuck. But Sears has pledged to concentrate on its core retailing interest - and the flotation of a minority interest in Allstate is part of

Late on Thursday, the Allstate issne was priced at \$27 a share, at the upper end of the indicated range and ensuring proceeds of over \$2.1hn. This made the sale the higgest "initial public offering" ever seen in the US, easily ontstripping Conrail's \$1.64bn share sale in 1987. By the end of the week, moreover, Allstate's underwriters and its new-found investors had every reason to smile: the insurers shares had moved to a healthy premium, at \$28%.

Meanwhile, BT was not the... only transatlantic stock to win some attention. Investors indniged a flurry of "dividendstripping" at Hanson, causing the UK conglomerate's ADR to hecome the most-actively traded issue on the Big Board on Wednesday. This time, however, there was no multihillion deal to underpin the interest, and the ADR price remained unchanged.

Nikki Tait

The Bottom Line

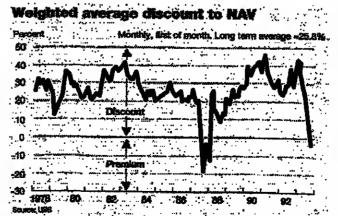
Soros factor lifts property

than-average yield. Although prospects for dividend growth remain feehle, vields look increasingly secure as property companies become less likely to make dividend cuts.

Second, the City has become increasingly optimistic about the outlook for asset values. Looking ahsad, investors expect the discount to net asset value to reappear, as property values rise.

But predicting the movements of property values is notoriously difficult. Moreover, any errors in forecasting property values will be magnified into large errors in net asset values, since property companies are highly geared.

Would be property investors are not confined to property shares. Two authorised property unit trusts are targeted at private investors: Barclays Unicorn Property Trust and Norwich Union Property Trust. tors are likely to rely on prop-



financial services group, is marketing a unquoted commercial property investment that will invest in high yielding property for a maximum of

However, most privete inves-

In addition, Johnson Fry, the erty shares if they want to be exposed to the sector. People wanting to spread their risk might consider the two investment trusts that specialise in property shares, TR Property investment Trust and Trust of Property. Otherwise investors

will need to select stocks with

are likely to see large disparities in the performance of different companies according to their spread of assets and quality of management.

The ratio of debt to equity is important. The gearing of the large property companies ranges widely, from about 50 per cent for Land Securities to around 90 per cent for Great Portland Estates.

On the face of it, the companies with the highest gearing will produce the greatest increase in net asset values, if property values are rising. But the City is often more enthusiastic about companies with lower borrowings that have the scope to make ahrewd acquisitions, which is why the stock market has reacted enthusiastically to the recent spate of fund raising exercises.

The property sector is dominated hy a handful of large

investment companies, namely Land Securities, MEPC, British Land, Slough Estates, Great Portland, Brixton and Hammerson. But analysts believe several smaller companies have good prospects. UBS, the broker, favours Town Centre Securities, Frogmore, Mucklow, PSIT, Capital & Regional and Burford.

Recovery situations, such as Scottish Metropolitan and Dwyer, may also prove rewarding, it says. But investors should be aware of the risks. Last week's collapse of Speyhawk, the developer, demonstrates that stock picking in this sector is still potentially treacherous. The ranks of smaller property stocks are littered with penny shares that

may not survive. In any case, investors should not expect to make profits in the short term. Even the most enthusiastic City analysts are talking about a period of consolidation. It may take firmer evidence of an uplift in the underlying property market before the recovery in property

share prices resumes. Vanessa Houlder HE PUBLIC image

of stockbrokers has

often been poor.

Either they are

saan as the

haughty pin-striped types, who will not let you through the

door unless you are a millionaire; or they are portrayed as

spivs on the lines of Private

Walker in Dad's Army, trading

on wild rumours or inside

information.

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These steraotypes are nowadays fundamantally unfair. Tha harsh laws of economics have made more and more brokers willing to E . C157 welcome clients of modest means, and using some of the cheap and cheerful telephone Returning a POP of a dealing services is no more daunting than ordering theatre tickets by phone. So investors who are looking for an alternative to the building society should not be frightened of approaching a ಯಿಷ್- _ hroker. But how do you find the right one for you?

First decide what type of service you need. In essence, thera are three types of stockbroking service. Execution-only brokers will buy and sell shares on your behalf, but will not offer advice on which stocks to select. Advisory brokers will trade for you but will also discuss the wisdom of your decisions, and suggest their own trades. In addition, they may help with tax planning or portfolio

Both the above types of service earn their corn by the commissions they charge every time you deal. Discretionary brokers assume command of your portfolio and take all the investment decisions. Some still take their reward in the form of commission but more and more are switching to fees, based on a proportion of assets

For the client, this has the advantage of creating a coincidence of interest between himself and his broker; if the portfolio does well, the hroker's fee rises. It also 'churning' the portfolio excessive dealing to earn commission - although this partly depends on whether commissions are charged on top of fees.

For the broker, a fee percentage point in epresents a steady source of commission," he says. ncome. The industry has Killik adds: "Clients may represents a steady source of income. The industry has tended to polarise in recent years between execution-only



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Taking stock: how to find the right broker

Philip Coggan on the choices you face if you want to invest in shares

some brokers found advisory services unprofitable, with a long list of clients who seldom hothered to deal. Another factor is that the dealing commissions of advisory brokers are undercut by the execution-only firms.

Bnt Paul Killik of the London-based Killik maintains that clients still appreciate an advisory service. "It gives the client the chance to kick ideas around with somebody else. They are happy to do that for the cost of an extra 0.4 of a

think they are saving a few pounds commission using an brokers and the discretionary execution only broker but they All one can rely on are three kind. In part, this is because may get legged over in the qualitative rather than

THE PRICE OF UNITS, AND ANY INCOME FROM THEIA, CAN GO DOWN AS WELL AS UP AND YOU MAY NOT GET BACK THE FULL

AMOUNT YOU INVESTED, INVESTORS SHOULD BE AWARE THAT THE MARKETS IN WHICH THIS FUND CAN INVEST CAN BE HIGHD

VOLATILE. SAVE & PROSPER GROUP LTD IS A MEMBER OF IMPO

market when it comes to the prices at which they deal." Brian Tora of London-based broker Greig Middleton says it is a great help to be able to bounce ideas off people at the other end of the telephone. Advisory hrokers can give you greater control of timing. and add a certain perspective to your own research" he argues. Greig Middleton offers a service called Assetcare where commission is reduced and can be offset against fees.

It is very hard to judge whether the advice of a hroker is value for money. Accordingly, it is just as difficult to choose between one advisory broker and another. All one can rely on are three

■I ACT NOW OFFER ENDS 11TH JUNE 1993 I

quantitativa criteria; do you know someone who can recommend a broker? do you feel comfortable with tha individual who will be your point of contact with the advisory firm? and are the ancillary services provided by tha hroker - tax planning etc of the standard you seek? When it comes to a discretionary service, there is a

little more evidence to go on. Few brokers will give performance figures for the "average client" on the grounds that the needs of their clients differ fundamentally: some want income, some want growih; some are very cantious, others are willing to take substantial risks.

investment trusts, and investors can check their performance records in publications such as our sister magazine, Money Management, The size of the fees (or combination of fees and

collective funds such as unit or

commissions) being charged is another obvious criterion for assessment. Another factor may be whether the broker will invest your portfolio directly into equities or (normally if your holding is worth less than £100,000) into unit or investment trusts.

There is nothing wrong with the latter course and indeed some brokers, such as Clty firm Foster & Braithwaite make a speciality out of lt. On the other hand, soma investors

might find it more interesting to own a stake in Marks & Spencer and Glaxo than in the M&G Dividend fund.

If you are giving a broker complete discretion over your funds, then you will need a high level of trust in the individual handling your account. But you should also expect a good service in the form of regular valuations, handling of dividend income and your capital gains tax position and so on.

Price is the obvious way to compare execution-only services and some details are given in the article on the right. But there are other factors. Some brokers, such as Fidelity's, offer money market accounts in which investors' cash earns interest in between deals. On the other hand, Fidelity's service is nominee-hased and many investors might prefer to own the shares in their own names. as occurs at Sharelink.

Although there is a tendency to think that those who use execution-only services are "on thair own" in terms of investment decisions, hrokers can give factual information or pass on details of what other brokers are recommending.

Sharelink, for example, offers an axcellent low cost range of information including reports of analysts's recommendations for £2.95 and company reports for £4.95.

The toll-free telephone lines available from services such as Fidelity may appeal as may those brokers who have phone lines open at weekends, or who can deal in overseas securities (see article on right for US dealing details).

In terms of sheer cheapness, tha Share Centre (0442-890800) offers a tone-phone service with a minimum commission of just £8. This service is available only for privatisation shares plus Ahhey National

Finally, if yon are only interested in selling individual shares, perhaps acquired through privatisations, you may well find special deals on offer through banks and building societies. The upcoming BT3 offer will involve 150 "share shops", many of which will be seeking to attract new customers by offering special incentives to those who register for the BT offer. The Weekend FT will try to give details of these special offers over the next few weeks.

What you will pay for your deals

THE FOLLOWING is a guide to the dealing rates charged by some of the major banks and execution-only brokers. Barclays bank offers a dealing service in 50 popular shares, available from any hranch. The commission rate is 2 per cent with a minimum of £15. The bank's certificated share dealing service charges 1.65 per cent on the first £10,000, with a minimum of £28: L125 per cent on the next £10,000; 0.5 per cent on the following £20,000; 0.4 per cent on the next £60,000; and 0.3 per cent thereafter.

■ Midland bank charges 1.5 per cent on deals worth up to £7,000, with a minimum of £20; 0.55 per cent on the next £8,000; 0.5 per cent on the following £115,000; 0.4 per cent on the next £170,000; and 0.3 per cent on the following £600,000. At Midland Shareshops, available at 128 locations, the maximum

commission is £150.

National Westminster bank has a special touchscreen service at 279 of its branches. The commission is 1.5 per cent on purchases between £1 and £9,999, with a minimum of £20. At all other branches, rates are 1.65 per cent on deals between £1 and £5,000, with a minimum of £25; 1.5 per cent

on deals between £5,001 and £12,500; 0.5 per cent on £12,501 to £25,000; and 0.4 per cent on £25,001-£100,000. There is a postal service at a 1 per cent rate (with a minimum of £9.95). A telephone dealing service starts at 1.5 per cent (1.25 per cent for Gold Card-holders) on deals between £1 and £5,000. ■ Sharelink (021-200-2474) charges 1.5 per cent on deals worth up to £2,500, with a a minimum of £20. Deals worth more than £2,500 face commission of 1.5 per cent on the first £2,500; 0.75 per cent on the next £2,500; and 0.1 per cent on amounts above that.

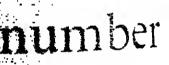
■ Fidelity (0800-222 190)

worth less than £2,500. Abeve that level, dealing charges are: £2,501-£5,000 (£50); £5,001-£7,500 (£60); £7,501-£10,000 (£65); £10,001-£15,000 (£70); £15,001-£20,000 (£75); £20,001-£30,000 (£85); £30,001-£40,000 (£95); above £40,000 (0.25 per cent, with a maximum of £250). ■ US shares. US discount broker Charles Schwab (071-495 7444) opened recently for business in London and charges an over-riding minimum of \$39 for dealing in US shares. Based on transaction sizes, commission rates are: up to \$2,500 (\$30 plus 1.7 per cent of principal); \$2,500-\$6,250 (\$56 plus 0.66 per cent); \$6,250 - \$20,000 (\$76 plus 0.34 per cent); \$20,000-\$50,000 (\$100 plus 0.22 per cent); \$50,000-\$500,000 (\$155 plus 0.11 per cent); and \$500,000-plus (\$255 plus 0.09 per cent). Thes figures are subject to minima of 9 cents a share for the first 1.000 shares, plus 4 cents a share therafter (for stocks trading below \$5 a share) or 5 cents (for stocks above \$5).

commission of £25 on deals

Fidelity deals in US securities at rates which vary according to the following scale: deals worth less than \$2,500 (\$29.50 plus 1,7 per cent of principal); \$2,501-\$6,000 (\$55.50 plus 0.66 per cent); \$6,001-\$22,000 (\$75.50 plus 0.34 per cent); \$22,001-\$50,000 (\$99.50 plus 0.22 per cent); \$50,001-\$500,000 (\$154.50 plus 0.11 per cent); and \$500,001 plus (\$254.50 plus 0.09 per cent). Sharelink also trades in US

shares through its Liberty service. The minimum commission is \$38 on deals worth up to \$2,533. Deals valued at between \$2,534 and \$5,000 cost 1.5 per cent, with a further charge of 0.75 per cent on the next \$5,000 of value and 0.19 per cent on amounts over \$10,000. There is an over-riding minimum charge of 2.5 cents for every share bought or sold.

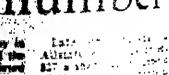


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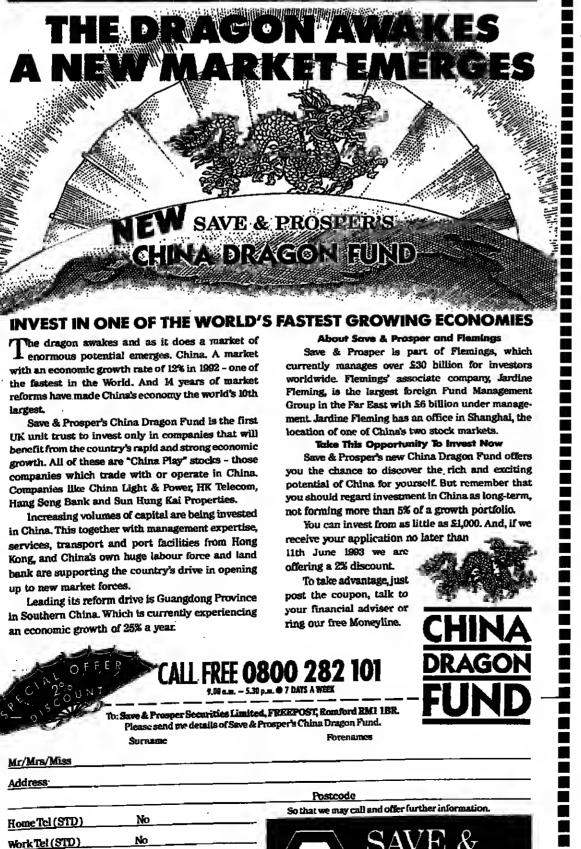
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FINANCE AND THE FAMILY

Cash trusts chase savers' money

Bethan Hutton examines a challenge to the building societies and finds there are definite advantages

thousand pounds who want to earn a reasonable rate of interest but need the money to be accessible often assume that their only real option is a building society. But a growing number of people are turning to cash unit trusts. These offer rates as good or better than the societies, are equally secure and have no interest penalty for withdrawals.

Cash unit trusts invest in the money markets where banks and other financial institutions lend and borrow. This means they can offer yields very close to bank base rates. From the consumer's point of view, they operate in a very similar way to building society postal accounts, with deposits and withdrawais carried ont charge a 0.5 per cent annual management fee, but yields are quoted net of that.

The interest rolls up within the trust to increase the price of the units (the exception is Fidelity, where the unit price stays the same, and the investor's holding of units increases). Indeed, Fidelity was the first to launch a cash unit trust in the UK, in April 1989. Since then, more than 30 have been started, ranging from tiny funds with only a couple of bundred thousand invested, to Fidelity - still the biggest - with £126m.

Govett's MIS cash fund was set up to cater for private client brokers and other professionals, with a minimum investment of £100,000. Since April, though, the minimum

NVESTORS with a few allow withdrawals to be has been cut to £2,000 to appeal ments carefully and spread the arranged over the 'phone. Most to a broader range of investors. "I think the general public are beginning to realise that there are alternatives to the old-fashioned high street deposit accounts," says Govett's Ian

In the US, cash unit trusts

risk between a number of institutions, cash unit trusts can be just as secure. Fidelity's recently got a triple A rating from Moody's, higher than the banks and building societies in

which it invests. In fact, investors of large

'The public is beginning to realise there are alternatives to the old-fashioned deposit accounts

(known as money market mutual funds) for savings are common, especially following the collapse of large numbers of thrifts - the equivalent of hullding societies. in the UK, societies are seen as a very safe bet but, because fund managers check their invest-

amounts are likely to fare better if a unit trust collapses than a building society, as they are covered by different compensation schemes. Depositors can claim only 90 per cent of the first £20,000 invested in a failed society whereas trust investors can claim all of the

first £30,000 plus 90 per cent of cent initial and 1 per cent the next £20,000.

One potential disadvantage to non-taxpayers of cash unit trusts is that income is paid net, so tax has to be reclaimed, unlike income from building societies, which can be paid gross. But the last Budget gave trusts a slight advantage over comparable society accounts for basic-rate taxpayers.

Income from trusts is subject to corporation tax, which was cut from 25 per cent to 22.5 per cent for this financial year, and 20 per cent next year. Once this has been paid, there is no extra income tax liability for hasic rate-payers. Building society interest is paid net of basic rate income tax, which remains at 25 per cent.

James Higgins, of independent financial adviser Chamberlain De Broe, points out, however, that the benefits of cash unit trusts compared with building societies can be marginal, and says trusts may see them as a way to draw in investors who can then be sold other products. Fidelity's cash account, which yields 5.3 per cent, has followed sociaties into offering additional facili-ties. Around 5,000 of its 12,500 customers have cheque-books, which are offered to any investor with a balance of more than £5,000 (the minimum investment is £1,000, or £50 a month), as are gold Master-Cards. Fidelity is now test-mar-

keting a cash card. Govett, like most of the cash unit trusts, does not offer a cheque-book or other extras. It charges an initial 0.5 per cent, 0.5 per cent annually, and rields 5.1 per cent. Prudential's Cash Haven makes an 0.5 per

THE WEEK started with a

bang as Sir Bernard Ashley

and his family sold a total of

30m shares in Laura Ashlev at

108p. This came shortly after

his announcement that he

would step down as chairman

to become non-executive life

president. The sale also fur-

thered the family's stated

intention to reduce its bolding to about 30 per cent over time. The other significant sales

were in Domestic & General,

the fast growing UK insurance

company. Martin Copley and

Howard James, respectively

chairman and managing direc-

Ashley (Laura) Ashley (Laura)

BTP Nº Pd . Comwell Parker A . Domestic & General

Donelon Tyson ...

Forward Group ...

Prudential Corp. PURCHASES Allied Lyons Bluebird Toys CIA Group .

Macro 4 ... Marks & Spencer Montson (Wm) S'mkt

Isle of Man Stm Pkt Leeds Group ..

annual charge on minimum investments of £1,000. It is the second-biggest fund, with £122m invested, and also yields 5.1 per cent.

Scottish Amicable Maximum

Aberdeen Pett Bexbuild Dev. Brabant

Lee (Arthur)

Savage ! Securiguard TIP Europe Teredo Pet. Thames TV

Anolina Grou

British Land

Cheem Group Cook (William)

Intil Comms & Data

Powell Duffryo

Rows Brens Rowsker

Themes Water

Sturge Group Wastland Grou

De La Rue

Income is unusual in that it is sold through agents; because of this, it makes an initial charge of 2.5 per cent to allow for commission but it yields 5.46 per cent. The minimum investment is £5,000 and additional sums deposited must be at least £500. Capital House caters for those with a smaller amount to invest - its minimum initial deposit is £500, or £30 a month, and it yields 5.21 per cent. Mercury's cash fund, which yields 5.46 per cent, has a minimum deposit of £1,000. It does not offer a cheque-book but the company is examining options to find out what cus-

tomers want. Shopping around unearth some building society accounts offering interest rates higher than cash unit trusts on similar balances. Birmingham Midshires pays 6.75 per cent on balances over £500 in its First Class postal account. Cheltenham & Gloucester's London Share postal account offers 6.25 on more than £2,500, whila Bradford & Bingley's Direct Premium postal account pays 6 per cent on more than £1,000.

But figures from Moneyfacts show that many instant access accounts at major societies offer less than cash unit trusts. Alliance & Leicester pays 4.65 per cent on £5,000 in its instant access account, the Woolwich 4.1 per cent on the same sum, and the Halifax 4.6 per cent. So, it could be worthwhile for

tor, bave been prominent in

INTERM STATEMENTS 1,270 757 1.25 ABI Leisura 1.25 Barcom Bett Bros Chion Inv & Dev (1,840) Feber Prest 1,850 410 725 32 606 52,500 5,800† 2,830 325 12,800 Foreign & Col PEP French (Thomas) many investors to switch. 0.9 (299) (119 L) 1.45 3.0 (336) Directors' Transactions 5.26 (4,640)) (3,390 L) 1.7 0.45 Shile

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The benefits of legal insurance

HEN PEOPLS think of buy-ing a property, they look at its price, condition, position, and the mortgage terms. Equally important, but often ignored, can

be the neighbours. Even if you complete the purchase after confirming they are environmentally per-fect, this situation might not last. They could themselves sell and move, to be replaced by hordes of hyperactive children playing hyperactive games until midnight, or by groups of motorcyclists all seemingly practising for a race.

And even if you buy a property in 10 isolated acres, your neighbour could decide to change from arable to pig farming so that your land smells not of vine

Situations such as these, along with rubbish tipping, car parking and bound-ary disputes, often lead to arguments and, in the worst cases, to violence. A Londonbased group, the Right to Peace and Quiet, claims some people can even be driven to suicide hy such ever-increasing urban noises as barking dogs, loudspeakers and DIY activities.

So, how so you deal with these difficult (and sometimes life-threatening) situations? You have two remedies: mediation

John Crawley is an authority on the former and one of the authors of a new book Neighbour Disputes (Institute of Housing, £10.95) which deals with the var-

ious rules and laws that apply in such cases. He says you should first talk to

your neighbour about the problem. If that fails to produce an amicable solution, approach the local mediation service. Mediation UK (0272-241-234). funded by charitable organisations, supplies its various addresses free of charge while Conflict Management Plns (081-802-3525) provides a professional

mediation service. Persistent noise-makers may be served a notice by the local anthority under the Environmental Protection Act. Failure to comply will lead to court action and the offender could be fined £2,000.

The London borough of Camden has evicted nine tenants for noise over the ast year, including one which the judge called "the worst case of nuisance I have ever heard." Another 59 cases are in the pipeline.

Even if you opt initially for mediation, it is still wise to cover yourself with a legal expenses policy in case you have to take further - and more costly - action, This type of policy is often sold as an add-on to other insurance policies, but family legal benefits insurance, from the Legal Protection Group, (081-661-1491) is

sold direct or through intermediaries. It gives you the choice of two levels of indemnity: £25,000 a claim for an annual premium of £195, or £50,000 a claim (up to an annual total of £250,000) for a premium of £234. There is an extra £55

BUILDING SOCIETY INVESTMENT TERMS

charge for any additional property you might own in the UK.

DAS legal expenses insurance offers two types of protection. Consumer and accident cover, from DAS legal expenses insurance, helps to protect your legal rights in domestic and contractual disputes. It is sold as an add-on to household insurance policies through DAS agents.

The Homeowners legal protection policy is sold direct (0272-290321) or through intermediaries and covers disputes arising over the renting or occupation of your own home or any other you might own in the UK.

It costs £120 a year for cover up to £25,000 for each claim, including botel expenses np to £50 a day. (In an emergency, such as a burst pipe, you can call DAS for one of its repairers, although ou will have to foot the bill.) Hambro's family legal protection

(0206-870-570) can be sold as an add-on to ilmost any type of personal insurance or financial service. It covers one family living at the same address for legal claims relating to this

Maximum cover is £25,000 for each. One thing to remember. With all legal expenses and protection policies, it is ential to check the exclusion clauses.

residence, plus a variety of other claims.

Jennie Hawthorne

ADVERTISEMENT

Name of Society	Product	Gross	Grans	Het	Es.	Interes	stilulana	Access and other details
		CAT			CALE	Pald	Balduce E	
Alliance & Leicester	Bomus 00	8.20	8.2 9	5.15	5.16	irly	Timed	8.05/7.13/1.45/5.69
	TOSSA	1.25	7.25	-	-	arla.	10	28 days notice/worth inc. ac
	Midas	5.40	5.80	4.84	4.80	Yrly	Tiered	5.65 Elok/6.03 TISK/5.49 ES9K instant scores
	Imtant Access	5.20	5.00	3.09	3.90	Triy	Tiesed	4.89/5.65/5.45/4.25/0.60
Baxmoloy (0220 733999)	Susuit Plus	8.10	6.10	5.80	6.88	irly	15,800	80 day possity - flow for mouthly income.
Riculações Bidsbires	Quantum High Int	1-20	1.00	6.51	6.38	~/ =n:l y	36,000	Instant access above CIGE
(0803 710710)	First Class Int.	7.60	1.60	5.76	5.70	Trly	106,000	Instant access so penalty
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	Nax High Riv 12 To		1.35	-	-	Trly	0,000	7.359 Gords on specific field.
	Max Vintego 3 Dom		1.38	6.48	6.41	Trip	6,000	1 Year Bond
	Max Vintage 3 Bon	1.80	7.50	5.93	5.63	Trly	25,000	boothly Income 7.10% gross 7.65% gross 7.89% gross and
8.80 gross.								
	New Vintage 3 Bon		6.10	5.08	5.80	Trly	64, 60g	Gnarasteed Diff of 4.56% above
	Ham Vintage 3 Dom		0.30	6.23	6.23	Arth	100,896	the base rate on Timpayar Accessat.
Catholic (871-222 6730/71	Jublian Bood II	7.00			5.25	athly	36,601	00 Day EZE+ 5.750/5.006 met.
Contary (Edinburgh) (031 556 1711)	"A" Shares	8.08	8.00	4.00	6.00	Annually		Interest Bain Government to 11.12.63 (7.00% thereafter)
	Cedinory	5.09	6.65	4.57	€.67	/" Triy	1	Instant Access. Bo Penalties
Chelceston & Cloucoster	CLG Instant 7	7.10	7.10	5.32	6.32	irly	25,600	Instant with 7 day pen. Misimum investment ES,600
(0890 7175961	Boot 90 (Closed ins		8.30	6.22	6.22	Trly	100,000	Closed Issue , ESGE 8.050 E25K 7.800 E163 7.300
City 4 Motropolitan	Mouthly Income	7.76	7.60	6.63	6.78	Mouthly	£60,880	90 days not/pen. std. Jobs to be not less them stated to
								32.8.63 7.23 19K, 7.80 25K
Computry (0203 2522771 5.306	80 Day	7.00	7.00	5.80	5.25	Triy	40,600	80 days notice/penalty Yiered A/C. E25E-6.506, E1E-
6.006	Instant Option	6.50	6.60	4.87	£.67	zely	44,500	Instant access Tiered A/C E25E-6.00%, E10F-5.50%, E1E-
	Two Year Plans	7.80	7.50	5.85	6.09	Trly	40,000	Tiered A/C 525K 7.50%, \$18 7.10%, \$1 6.20%
	Drive Interest	6-10	8.10	6.07	5.07	Trily	25,000	Tiered a/c. \$10% 7.85% \$15 1.60% Instant access with 10
day penalty.			*			-		
								monthly iscure option smallable so all accounts.
Enlifter"	Promion Itra	7.35	7.35	6.61	6-51	Trily	100,500	Gross rates include 8,256 annual gross
	Premium Itra	7.20	7.20	6.40	6.48	Trly	60,400	bosos payable where no withdrawels
	Premion Thra	6.98	5.04	6.18	6.19	Trily	25,000	occur. One withdrawel up to \$5,000
	Granium Tira	6.53	6.55	4.01	€.51	Triy	10,606	per month where 510,000 remains
	Zagen.	7.63	7.53	-	-	Trily	60	Syr bern including 3 bostoms
Leads & Malhack (0532 £59511)	Capital Bond	8.00	6.50	1.00	6.80	30 April	160.080	80 days sotice/postley. Monthly income option also
emileble	Tessa	7.35	7.35		_	31 Dec	1	So transfer restrictions or charge. Loyalty boson -/-hatra
year 5						J. 342	•	and the same of th
•	Gold Access	6.00	6.80	€.50	€.50	31 Dec	£50, 808	No notice no penalty
Leods Permanent (9632 436181) withdrawels	Borne Gold	E. 96	8.06	6.06	6.00	Astroni	100,000	Includes as interest boson of 0.25% grows p.s. provided no
	Boson Gold	7.74	7.74	6-81	18.3	athly	106,0006	sade during previous 12 month period. Tiered rates from
510,000.	-1-11-11	6.60		4.20				
	Liquid Gold		6-60		€.29	Ammel	26,080	Instant access to pumilty. Tiered interest races from £25
	Solid Gold	6.75 Id Quild	4.75	6.90	6.06	Annual		Instant access, no pecalty on minimum of £10,000.
Otherwise 80 days	300	ld done	6.55	6.90	4.81	4.61	Mostkly	90,600 sotion to 90 days loss of interest. Timed
interest rates from 1909.	Delabor 45	8.00	8.00	6.00	6.44			•• •
Macades (0282 902821)	Rainbow 44	7.60				YELY		80 days notice
	Rainbor 60		7.90	5.63	6.02	Mosthly		60 days notice
Fational & Powincial*	Investment Reserve		7.25	5.43	5-43	riy		Annual Interest
(080% 446604)		7.75	7.75	6.81	5.81	T EL7		option.
		8.00	8.00	6.00	6.08	rely.		Retne include 1.54
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	_	8.80	0.90	0.37	5.37	Trly		ao withdrawala
Mowcastlo (091 333 6676)	Nova Flor Special	6.80	6.50	4.80	£.\$#	Annelly		Instant Access
	Nova Flats	5-15	0.15	4.51	€.71	Hthly	84,000	Instant access. Tiered Account
	Nova State (7th Legac	7.75	7.15	5.81	5-61	Ansselly	6,000	15 month bond. Rate variable.
South of England (98) 610 99491	Bdishergh	7.50	7.56	1.63	6.63	Yely	25,080	Postal account. Instant account
	Account	1-90	1.60	5-25	5.25	Trly	10,000	Lower rate swallends no Il,500+
Burthern Bock (091 285 1151)	60 Day Account	8.06	8.06	6.04	5.04	Trly	90,000+	90 day action. Rate
-	-	7.60	1.80	5.70	5.70	Trily	80,080+	Includes 0.50% gross
		7.45	7.45	5-5#	8.59	Yr1y		p.a. bone il ao
		1.25	7.25	5.44	5-44	TELY		withdrawals made in
		0.48	5.80	€.90	5.00	Triy	•	early full year
				4.81	£.87	Taily		fick interest choose account.
Portmen (0302 101 466)	Prestice Charms	6.58	6.50			-	-	
Portuen (0302 393 455)	Prestige Chaque	6.58 5.80	6.58 5.25	3.27	1.87	W/Iw		lin mittee, ac namelto
	Instant Access	5.00	5.25	3.83 6.15	3.93	Trly Tele		No motice, so penalty
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Principality (0222 344188) Scarborough (0723 364155)	Instant Access 2 Year Bond	5.80 0.20	5.25 6.80	6.15	6.15	Trly	Tiered 500	l withdrawal up to Il.500. 90 days penalty
Principality (0222 344188) Scarborough (6723 366155) Access	Instant Access 2 Year Bond Sinsty 3 Ecoposis	5.00 0.20 5.45 9.00	5.25 0.80 5.65 9.00	6.15 4.36 6.75	0.15 0.25 6.75	Triy Annually Annually	Tiered 500 16	l withdrawal up to II,500. We days parently Hanthly Option, 90-Day Hotice, Instant Access/Penalty Regular Saving, Bonthly Investment £15-160, Instant
Principality (0222 344188) Scarborough (6723 366155) Access	Instant Access 2 Year Bond Alinety 3	5.80 0.20 5.45	5.25 6.80 5.65	6.15 4.26 6.75 4.31	6.25 6.25 6.75	Triy Annually	Tiered 500 16 25,080	l vithdramal up to II,500. We days parently Hanthly Option, 90-Day Hotice, Instant Access/Penalty Regular Seving, Houthly Investment £15-160, Instant Instant dutes, no passity.
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The Week Ahead

DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & USM)

> 30,000,000 100,000

281,000

2.000 505,588 350,000

40,000 17,640 300.000 190,000

Sector Shares

Cong

InsC:

BAA, the airport operator, has enjoyed upgraded forecasts in recent weeks ahead of its full-year results on Monday. Traffic growth has meant more revenues from landing fees and retail trade. Pre-tax profits could approach £300m against £192m. A £30m gain on the sale of its electrical distribution network will be offset by provisions on property.

Northern Foods is expected to report on Wednesday pre-tax profits for the full year a shade above £150m, up from £126.2m a year earlier. The forecast increase reflects a strong performance by short shelf-life foods, notably the convenience meals supplied to Marks & Spencer, and continued gains from post-acquisition rationalisation of the Express milk operations.

However, biscuits and other grocery products are expected to show the impact of recession, while high beef and pork prices have offset the benefits of efficiency improvements in the processed meat businesses. Unigate, the food and distribution group, is expected on

Tuesday to announce profits

will be watching to see whether the company has recovered from a disappointing first half, and also at Unigate's gearing levels.

Pilkington, the glass group which announces results on Thursday, is expected to announce a sharp fall in profits from £77m to £37m for the year to March 31. But attention is likely to focus on Pilkington's cash flow and the dividend, which the company maintained by raiding reserves at the interim stage.

Vodafone, the cellular telephone network spun off from Racal, has benefited from a sharp increase in new snbscribers. Pre-tax profits for the vear to March, to be announced on Tuesday, are forecast at about £320m against £272m a year earlier.

Watson & Philip .

an & Firth Brown

Dividends are shown not pence per shere and are adju Figures quoted in cents. Reports and accounts are not normally available until ab

PowerGen, the smaller of the two main electricity generators, has seen a small erosion of its market share during the year but cost cutting will have helped it life pre-tax profits to about £415m from £359m.

Christian Salvesen, the distribution group, is expected to almost unchanged at £93m for report pre-tax profits for the the year to March 31. Analysts year to March of around £75m. you could end up paying com-

least 14 different currencies in

the UK. If the one you want is

not available, ask which other

is likely to be easiest to

When getting cheques, ask if the seller will huy back unused

ones free of charge. Thomas

Cook, American Express and

most banks huy back their own

without commission, hut some

banks charge for non-sterling

cheques and huilding societies

may not buy them back at all.

far in advance currency and

cheques need to he ordered.

The main clearing banks rec-

ommend allowing at least

three to five working days for

currency or non-aterling

of the currencies requested

most often. But Amex and

Thomas Cook stock cash in

several dozen currencies, and

cheques in eight or 12 respec-

tively. Other currencies nor-

mally can be obtained within

Plastic has obvious attrac-

tions for holiday spending but

it does have drawbacks. Visa

and MasterCard are accepted

Other fees Whit

handing £2 24 hours

0-24 hours

5 days

4 days

4-5 days

3 tiays

3-4 days

48 hours

Some hranches keep stocks

offices abroad.

cheques.

24 hours.

CURRENCY

n/a £2 flat rate per currency

rute £3.50 first rate any number

1% £2 (under £20, Rat rate £1)

2% £3 (£5 non customer)

2% £3 (incl delivery)

2% \$2 tany number)

mission three times over.

change.

FINANCE AND THE FAMILY

RAVELLERS' tales of nights under the stars and eating for a pittance from authentic street stalls may make wonderfully escapist reading, but most people's idea of a holiday involves comfortable accommodation, good restaurants and, perhaps, a spot of shopping.

EVEND IL NESTENE

MOS AND MERGERS

STATEMENTS

HTS MOURS

PLACENCE & STROQUETORS

If you are unlucky, though, you could return to tell picturesqua tales of living on a shoestring. Cash can be atolen, credit cards rejected, and travellers' cheques take time to replace if they go missing.

The combination of cash, plastic and cheques you choose depends on your destination. If you are going somewhere for the first time, ask your travel agent what is likely to be acceptable - you could be sur-prised. Sterling travellers' cheques can be cashed in some of the most exotic locations, hut only with extreme difficulty in the US. Travellers' cheques in dollars are the easiest to change internationally.

Most people find it useful to buy at least some of the local currency in advance for airport and other on-the-spot expenses. Check, though, on currency restrictions: some countries do not allow their money out of the country, or only in very small amounts.

Some currency anppliers charge a flat rate commission and others a percentage, usually with a specified minimum (see table). But good deals available widely include American Express offices for any single currency; National Westminster for more than £175 worth of two or more currencies; and Midland for less than £175 worth of two or more cur-

The replacement service for lost or stolen travellers' cheques makes them about the safest holiday money option, hut keep a separate note of the

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£4.50

£2.50 handing

4 days

3-5 days

2-4 days

_ 2-3 days .

4-5 days 1% min £3

1.5%

Abbey National

Amex E/other

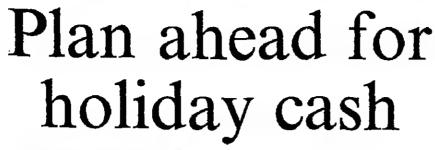
First Direct £

Lloyda £

Midland £

Royal B. of Scotland £

Barclays £



Bethan Hutton suggests some ways to make the traveller's life more tolerable



When in Prague . . . plactic is accepted but there can be drawback

numbers of those that remain unspent, Remember, too, that TRAVELLERS CHEQUES such cheques can be expensive Other fees to bny (shop around first) and 24 hours cash ahroad. They can also incur a charge when you return those you have not 3 days

Barclays

First Direct

Nat West

used. If you are not careful,

1.5% r/a

2% £3

wide and American Express in around 3.5m. In many parts of the world, though, cash is still the norm and you might find paying by card limits where you can eat and shop.
At the other extreme, there

are countries like France where electronic payments are standard and British travellers could be caught out hy advanced technology. In the UK, most retailers can process a transaction by hand if a card's magnetic strip is faulty, hut this alternative might not he available over the Channel. You can huy cheques in at Check your card for wear before you go and get a

> Because many British credit card-holders never use them to withdraw cash, they never hother to find out their pin numbers. if you are holidaying in Europe, however, a pin number could be crucial - they can be required at such places as fully-automated petrol stations. You might even need a pin number when using e card across the counter in hanks and shops.

American Express, the inventor of travellers' cheques. Fraud is also a serious prob still offers one of the better lem, particularly in the Far East where counterfeiters use deals in the UK with a 1 per cent commission charge (and details from credit card slips or no minimum) on cheques in carbons to make new cards Elizabeth Phillips, of Credit Card Research, suggests: sterling and seven other currencies. They can be cashed commission-free at Amex "Rather than giving the card to the waiter at the table, you Anyone planning to take ahould go with him and stay advantage of last-minute holi-day bargains should check how with it." Insist on credit card carbons being torn up in front

> Using a credit card to withdraw cash can be a useful fallback option, but beware of hidden costs. As well es the commission charge - commonly 1.5 per cent with a minimum of £1.50 - remember that interest will be charged from the date of the transaction rather than that of the statement. Most credit card-issuers also add 1-3 per cent to standard exchange rates when converting foreign transactions to sterling.

Frequent travellers to Europe may find a Eurocheque hook and card worthwhile. These allow you to write cheques in the local currencies of 40 European countries, and use a network of 50,000 cash machines. But, for once-a-year tourists, the annual fee of around £8 charged hy most banks, plus minimum fees of £1.10-£2 for each one, may make Eurocheques unattractive compared with traditional travellers' cheques.

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Ulster power sell-off: a bright long term prospect

Northern Ireland Electricity. the utility company which goes on sale later this month, they can take heart from the knowledge that the government likes to be generous when selling off state assets.

By far the majority of privaoutperformed the market that is, fared better than the average share - both immediately after flotation and in sub-

Investing in former public sector companies does not

shares in British Steel and British Aerospace can testify. Both have underperformed the FTSE-100 index by 50 per cent since their privatisations in 1988 and 1981 respectively, although in BAe's case the underperformance has occurred mainly in the last two

However, BAe and British Steel are the exceptions rather than the rule. More typical and more relevant to NIE - is the performance of the electricity companies since privatisa-tion of the sector began three

DID YOU MAKE 171% IN 5 MONTHS?

The January issue of Techinvest gave eix nap estections for 1993. Five months latar, each was making hig profits for

Avesco
Electron Youse
Laser-Scan
LBMS
Northamber
Tadpole

Mici-price (p) at Gain 1-1-93 31-5-93 % 335.9 86.0 200.0 Average Gain + 171.7%

Five of the above were tipped at even lower prices in previous issues of Techinvest. For inatanca, LBMS at 45p (April 1991) and Avesco at 10p (April 1992).

Soma other technology shares have also performed spectacularly since tha start of tha year. Acorn Computer was 266% ahead at one point, while Gresham Telecomputing ended tha first quarter up by 324%. The attractions of both were highlighted more than once by Techinvest during 1992.

Published monthly since 1984, Techinvest is the only investment newslattar dedicated to technology shares on the London markat. Each Issua la exclusivaly mailed first-class to For a FREE sample copy and details of special introductory offer,

first-tima enquiries only, send name and address (block capitals TECHINVEST (FT5/6), MILL HOUSE, MILLBROOK, NAAS CO. KILDARE, IRELAND

Scottish Power and Hydro-Electric, considered to be the tightest priced of all electricity stocks in the electricity privatisation process, have seen their share rise from 240p in June 1991 to 323p and 342p respectively. If they had merely kept pace with the market, their prices would be 279p.

NIE's flotation benefits from the more generous approach which the government displayed in privatising the England and Wales electricity companies. One view is that this is because the NIE flotation will face competition for funds from the sale of the third tranche of BT shares.

Northern Ireland Electricity procures electricity from the province's four generators, privatised separately last year, and transmits and supplies it to the whole of the province. The company is being offered at £362m, consisting of 164.6m shares of 220p each.

For ntility investors, the most important consideration is the dividend yield, and for NIE this is high. The average historic yield for the regional electricity companies in the England and Wales is about 5.3 per cent; for NIE it is 5.8 per

This, together with the City's positive view of NIE's management and prospects, means that, harring unexpected changes in the market, shares in the company are likely to rise on the first day of trading on Juna 21. Some analysts believe 10 per cent is possible.

That does not necessarily mean that everyone should apply for shares. Investors hoping for large, quick profits will probably be disappointed. More than 800,000 people have registered an interest in the shares, and that means that some may get less than 100 shares, the minimum application.

Profits, after dealing costs, of such a small amount of shares would be virtually negligible. investors should therefore consider the long term.

Among concerns about tying up capital for long periods will the unpredicatibility of Northern Ireland politics. Government practice is to replace assets which have been damaged through terroriam but

toes Even if all costs of a terrorist attack were recovered, there could he long term effects on staff morale and pro

Analysts believe such considerations are outweighed by the positive elements offered by NIE. Chief among these is that the regulatory regime covering the province is settled until at

in England and Wales, the regulator has said that he may refer the generators to the Mergers and Monopolies Commission, and the 12 regional electricity companies (Recs) face regulatory reviews over the next year which could limit their ability to increase profits

and increase dividends.

Northern Ireland has no such uncertainty and its innovatory regulatory regime means that most of the proepectiva income in transmis sion and distribution is guaranteed, regardless of whether sales go up and down. If unit sales fall, NIE is allowed to raise its prices.

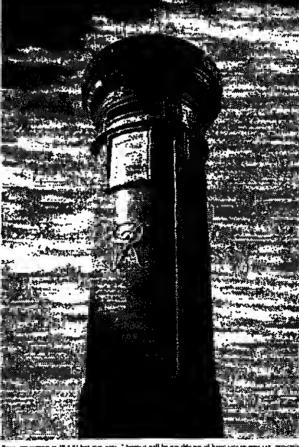
This is a double edged sword It increases potential for slack marketing in the lead-up to the competitive threat posed by British Gas which may start selling gas to households from the middle of the decade. However, it also provides the company with an even greater incentive for cutting costs. The scope is considerable given that there are six employees per thousand customers com-

pared with the Recs' 3.6. All this means that NIE should be able to increase dividends by about 12 per cent a year for the next four years and most analysts are advising clients to apply for shares. Some, including John Wilson, of UBS, believe it may even be worth huying shares in the market early on the first day of trading, before prices rise sig-

The company makes an excellent long term investment and provides a good hedge against the regulatory risk of the electricity companies in England and Wales," he says. Additional research by Ewan MacDonald.

Michael Smith

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FINANCE AND THE FAMILY

Smith New Court, says tha

zeros are among the riskier in

the sector, since the assets of

the trust are now only just

ment. The present gross

redemption yield, at 50p, is

The income shares are enti-

tled to all the revenue of the

trust, but will be repaid only at

0.1p per share on wind-up in

2001. They resemble an annu-

ity in that investors receive a high income at the expense of

In the first year of the trust.

the gross dividend was 6.55p,

equal to the prospectus fore-

cast. The trust has indicated it

expects to be able to maintain the net dividend this year.

helped by revenue reserves

But the Budget change in

advance corporation tax, which

reduced the tax credit on divi-

dends, means that the gross dividend will fall, to around

6.14p. On that hasls, the

shares, at 36p are on a flat

dwindles to virtually zero by 2001, however, Middleton says the gross redemption yield is

lower, at 9.8 per cent, assuming nil dividend growth. He

feels that these shares are on

the cheap side since they offer

a good spread over the equiva-

lent gilts, plus some protection against a renewal of inflation,

which would lead to an

The capital shares receive no

income but can claim all the

assets of the trust once the

zero dividend and Income

shares have been repaid.

Middleton says the trust's assets will need to grow at 1.5

per cent a year for investors to

increase in dividend income.

Since their capital value

yield of 17 per cent.

around 8.7 per cent.

capital loss.

enough to cover full repay-

Doing the Splits

Recession puts a damper on M & G's strategy

Recovery stocks are key to success, reports Philip Coggan

HE M&G Income investment trust was launched with considerable fanfare, including a TV advertising campaign, back in October 1991. The issue was an enormous success; the £246m it raised made it the biggest trust launch in history.

Eighteen months later, investors may well be wondering if the fuss was worth it. The packaged shares, which were bought by around 59 per cent of investors, stand at just 103p only 3 per cent above the offer price.

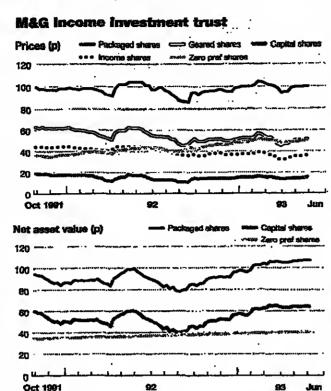
Manager John Allard admits that, with hindsight, the fund was launched too early. "We didn't think the recession was going to last as long as It did,"

M&G's investment philoso-pby is built round the contrar-ian approach. Buy shares when they have a high yield, or their depressed prices make them recovery stocks, and eventually they will rebound to your profit.

That theory has worked very well in the long run, but it is a high-risk strategy io the middle of a recessioo. At such times, corporate profits turn out to be worse than the market expects.

The Income trust was a prime example of the M&G philosophy in action, Aimed at giving investors a 6.6 per cent yield (tax-free when held in personal equity plan form), the trust oeeded a portfolio yield of 7.5 per cent-plus. That, inevitahly, involved huying some high-risk stocks.

What did not help is that, shortly after the trust's launch, the market decided recovery was not under way and, furthermore, feared a Labour election victory. Investors moved into the perceived safety of growth stocks, such as Glaxo and Wellcome, and away from the high-yielders. M & G income's portfolio suffered accordingly.



But Black Wednesday, and the subsequent declines in interest rates, have helped. Before the pound's exit from the ERM, the trust's net asset value fell 17.8 per cent while the All-Share fell by 9.3 per cent. After devaluation. though, the trust's assets have risen 34.5 per cent while the All-Share has risen only 24.2 per cent.

Investors have not seen tha full benefit of this recent recovery since the price of the packaged units has recently dropped from a premium to net asset valoe to a discount. M&G hlames the Budget's effect on the popularity of its income shares for the switch.

Allard says the yield on the portfolio is now down to 5.5 per cent and, during the year, he will be selling some of the suc-

Unlike equities, where all markets can

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Return to: Guinness Flight Fund Managers (Guernsey) Limited, PO Box 250, St Peter Port, Guernsey, Chan

* Source: Manager's exhibited erices for the interestimal Accountained Managed Converte Fond, Green Income microsted, offer to hid backs from 20.5 KB, scient last existence of Converte Income microsted, offer to hid backs from 20.5 KB, scient last existence of Converte Income microsted, offer to hid backs from 20.5 KB, scient last existence of Converte Income microsted, offer to hid backs from 20.5 KB, scient last existence of Converte Income microsted, offer to hid backs from 20.5 KB, scient last existence of Converte Income microsted in the converte Inc price for each year, 1933 calculation on at 1.843. Fine year performance 1.830 - 1.843. First performance in sext secretarily a guide to the fature. The value of this inn

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(379% in US\$ terms) and over the last five

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managed currency funds and the market leaders

in this field (with US \$156 million under

management), we have considerable experience

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May 1980 our Managed

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speaks for itself.

cessful low-yielding stocks and moving into the high-yield end of the market. The trust has a 6 per cent holding of gilts

which helps to provide income. The 10 largest stocks in the portfolio are BAT, British Gas, General Accident, GEC, GKN, Standard Chartered, Scottish Power, Royal Bank of Scotland, Morgan Crucible and NatWest. Five different types of secu-

rity are traded. The zero dividend preference shares receive no income but have the first claim on the assets of the trust, Shareholders will be entitled to be repaid at 102.46p in November 2001,

annum. Philip Mtddieton, investment trust analyst at

OUTSTANDING RETURNS

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£53,515

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£47,360

£42.088

£38.892

£38,755

£30,416

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shares are trading above their fair value. In addition to the three indi-

growth. He feels the capital

vidual classes of share, the trust also created two combinations of securities. The packaged units consist of one zero dividend preference, one income and one capital share and, to most intents and purposes, are just like ordinary shares in a conventional investment trust. Those private investors who bought into the trust via the personal equity plan will have received packaged units.

There are also geared ordinary units which consist of one income and one capital share. These accordingly receive a high level of income (the present yield is 11.6 per cent) but have the chance of

capital growth. Middleton says it is impor-tant that investors do not get too caught up in the mathematical calculations. The key to the auccess of the trust is that recovery stocks continue their recent outperformance.

Key facts The trust has assets of £263.5m and is due to be wound up in 2001. The manager's annual fee is 0.75 per cent of assets minus current liabilities; half this fee is charged to income and half to capital.

The chairman is Paddy Linaker, deputy chairman and group managing director of M&G. Other M&G staff on the board are John Allard and Anthony Shearer. Outside directors are Bryan Hines, former general manager of ICI's insurance and investments group; Donald Macpherson, deputy chairman of County NatWest; and Neil Shaw, chairman of Tate & Lyle.

 Savings plan and Pep details The Pep was designed specifi-cally for the trust'a launch and is no longer on offer, although investors could put trust shares into a self-select Pep.

Flight plan is filed

UNNESS Flight is the latest unit trust company to launch a combined bond and equity fund attached to a personal equity plan. The attraction of such funds is that they can offer a higher yield than many conventional Peps (5.7 per cent after charges in Guinness Flight's

case) without taking high risks.
Provided the new fund, called the Equity & Bond income trust, holds more than 50 per cent in equities, it will qualify for Pep status. in fact, the aim is to hold around 60 per cent

Investors do not get something for nothing, of course; the higher yield comes at the expense of the prospects for capital growth. But with base rates at 6 per cent, many investors might well be attracted by a 5.7 per cent tax free

yield, paid quarterly.

The charges on the fund depend on whether you take the Pep option. If you do, the initial charge is 2 per cent (reduced to 1.5 per cent until the offer period ends on June 25); if you want only the unit trust, the charge is 5 per cent (cut to 3.5 per cent during the offer period). The annual manage ement fee is 1 per cent on the unit trust, with an additional 0.25 per cent

There are also exit fees for Pep investors if they want to withdraw money in the early years: 3 per cent in year one, 2 per cent in year two and I per cent in year three. The minimum investment in the trust is £1,090; for Pep investors, it is £3,000, or £100 a month.

How does the fund compare with three similar products launched earlier this year from Cazenove, Fidelity and M & G? The charging structure is very similar to Fidelity's, as is the yield (Fidelity pays around 5.8 per cent at present), hut Fidelity offers the facility to pay income monthly.

Cazenove's Bond & Utility fund offers a higher yield - 7 per cent - caused, in part, by its lower charges. Some investors, however, may like the wider spread of equities on offer from Guinness Flight. Its fund invests in a wide range of high yielding stocks instead of limiting itself to utilities such as BT or the water stocks.

The M & G Managed Income fund yields only 4.13 per cent and has higher initial and annual charges. But it has a higher proportion of equities than any of the other funds and offers better scope for capital growth.

P.C.

ANNUITY RATES AS OF JUNE 2						
Level annuity, gross annu	zal income, spouse's benefit 100 per	cent				
M age 55/F age 50	Annuity M age 60/F age 55	Annuity				
1 Royal Life	£8,723,13 Royal Life	£9,020.07				
2 Prudential	£8,591,28 Prudential	28,271.00				
3 London Life	£8,468.04 London Life	28,789,16				
Level annuity, gross annu	al income. Spouse's benefit 50 per	cent				
M age 55/F age 50	Annuity M age 60/F age 55	Annuity				
1 Royal Life	£9,271.87 Royal Life	29,805.58				
2 Equitable Life	£9,197,04 Equitable Life	29,765.96				
3 Prudential	£9,191.84 London Life	29,743.64				
Annuity with 3 per cent benefit 100 per cent	t escalation, gross armual income.	Spouse's				
M age 55/F age 50	. Annuity M age 60/F age 55	Annuity				
1 Royal Life	£6,315,34 Royal Life	26,724.77				
2 Prudential	£6,232,56 Prudential	26,589.56				
a London Life	£6,115.56 RNPFN	26,518.88				
Annuity with 3 per cent benefit 50 per cent	escalation, Gross annual income,	Spoute's				
M age 55/F age 50	Annuity M age 60/F age 55	Annuity				
1 Royal Life	£6,939.03 Royal Life	27,559,30				
2 Prudential	26,854,88 RNPFN	27,485.60				

£6,837.84 London Life

Annuity gamble

market.

The table shows both conventional annuities and those which offer income that increases by 3 per cent a year. As you can see, the initial returns on offer on the level annuity are around a third higher.

An investor who picked the top escalating rate from Royal Life would take 11 years to catch up with the £8,723 on offer from the top-level rate. As with much else, therefore, the choice represents a gamble — in this case, on the life expectancy of the investor.

The figures were provided by the Amulty Bureau Limited, 11-12 Hanover Square, London WIR 9HD, tel. 671-496 1495.

get back the present share on these dividends price of 17p. If the assets grow at 5 per ceot a year, the return to Compared with the original net asset value of 34.5p, this is equivalent to a gross redemp-tion yield of 11.5 per cent per investors would be 15 per cent, FULLY-FRANKED dividends although he points out the high portfolio yield will restrict tha prospects for capital

from Australia are subject to a 39 per cent Australian imputation tax, and I believe an Australian resideot receives the net amount without paying further taxes. My bank subjects the net amount received here in the UK to full UK taxes, without any double tax

Is this procedure correct, since dividends are then doubly taxed?

■ The new Australian tax system, where there is an imputation credit attached to each dividend, means there is no further tax payable for Australian residents, Shareholders who are not resident in Australia normally receive dividends subject to a withholding tax of 15 per cent deducted at source on the gross amount of the divtdend. However, dividends received in franked form are free from divideod withholding tax but no refund of the imputation credit is available. It follows that, as the imputation credit is not a tax as such, the dividends are not taxed in Australia and are, therefore, fully taxable in the UK.

B&B doesn't apply to land

MY WIFE and I own a site that could be given planning permission for development. If that happens, we could get a £40,000 capital gain.

We also own a commercial property that we bought for £100,000 bnt is now worth only about £60,000. Is there any reason why we should not bed and breakfast the commercial property at £60,000 to crystallise the loss, and use that loss to offset the potential capital gain on the develop-

Alternatively, rather than bed and breakfasting, is there any reason why I should not transfer the commercial prop erty into my name at £60,000 to crystallise the loss and avoid the capital gains tax? Unfortunately, you seem to have missed our article about bed and breakfasting on March 7 last year. The closing paragraphs would have warned you that land cannot be bed and hreakfasted: "It is morthwhile to re-state

the basic principles of traditional bed and breakfast for tisted shares...

* There must not be any

pareement on day one (the day of the "bed" sale) that a "breakfast" purchase will take place on day two. * Full beneficial ownership

must pass to the counter-party on day one. These basic principles are readily satisfied on the stock exchange, of course, but they make it virtually impossible to do an effective B&B outside the

Transferring property from the joint ownership of husband and wife (either as joint tenants or as tenants-in-common) to the sole ownership of one spouse does not produce an allowable loss (or a chargeable gain), because of section 58 of the Taxation of Chargeable

Gains Act 1992. The rules are outlined in the free pamphlet CGT15 (Capital gains tax: a guide for married couples).

No double tax relief

Furthermore, a simple sale of the commercial property would not produce a usable allowable loss if it was sold to a "connected person", as defined in section 286 of the TCGA (including a parent, parent-in-law, sibling or sibling-inlaw), because of section 18(3).

You should consult your solicitor on the possible appli-Act 1988 (Transactions in land: allowable loss in any event.

BRIEFCASE

taxation of capital gains) to the sale of the development site. If this section is applied and it looks likely, from the cation of section 776 of the bare facts given - then there income and Corporation Taxes could be no offset of a CCT

	Account	Telephone	Notice/ tenn	Minimum deposit	Rate %	þa
NSTANT ACCESS A/cs						_
Co-operative Bank	Pathfinder	0345 252000	instant	£100	5.84%4	
Sirmingham Midshires BS	First Class	0902 302090	Postal	2500	6.75%	Ÿ
Coventry BS	Edra Interest	0203 252277	Instant	21.000	7.60%	Ý
North of England BS	Edinburgh	091 510 0049	Postal	£25,000	7.50%	Ý
NOTICE A/cs and BONDS						_
Bradford & Bingley BS	Direct Notice	0345 247247	30 Day	21,000	7.00%	·Y
Vorthern Rock BS	Postal 30	0500 505000	30 Day	22,500	7.30%	Ý
Zhelsea BS	Premier VIII	0800 272505	30.9.95	£10,000	9.00%♥	Ý
Chorley & District BS	Astley Share	0257 279373	6 Mith	275,000	8.55%*	Ÿ
NONTHLY INTEREST						_
Coventry BS	Extra Interest	0203 252277	Instant	£1,000	7.35%	
kritannia 6S	Capital Trust	0800 654456	Postal	25,000	6.55%	M
orkshire BS	First Class Retn	0800 378836	Postal	225,000	7.13%	M
Cheisea BS	Premier VIII	0800 272505	30.9.95	£10,000	8.65%♥	M
ESSAs (Tax Pree)						
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lational Counties BS		0372 739702		23,000	8.00%	Y
Oudley BS		0384 231414	5 Year 5 Year	£3,000 £10	7.90% 7.87%	Y
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erbyshire (IOM) Ltd	90 Cay Notice	0624 683432	80 Day	£10,000	6.75%	XY
ristol & West Intl Ltd	Intl Premier	0800 833222	90 Day 6 Mth I	£50,000	8.00%	. Al
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	8th Index Linked		5 Year	£100	5.75%F	
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	Childrens Bond E		5 Year opt Guarant	225		OM

providing no capital withdrawals. Ψ = Rate fixed until 1.10.93, \star = 0.5% bonus of interest earned paramum.

atmum.

‡ = After 2 months qualifying period. Source: MONEYFACTS, The Monthly Guide to investment and Mortgage Rates, Laundry Loke, North Walsham, Nortolk, NR28 08D. Readers can obtain a complimentary copy by phoning 0882.

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rate tax. (Interest rates may vary and no interest is paid on deposits of £2,000 and below.)

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MINDING YOUR OWN BUSINESS

Books that shouldn't be taken as read

Nick Garnett visits a company where fakery flourishes

Jonathan Eaton had up for sale at the antiques fair in London's Olympia that sparked off the idea for a

"It needed 2,500 books to fill It so we had that many dum-mies made up to help present it. I asked the buyer whether he also wanted to purchase all those book spines and he said ...'Well, of course I want them. I haven't any time to

That was 1990, The Dummy Book Company, set up shortly after the antiques fair, generated sales last year of £380,000. From its workshop in a converted Gloucestershire cow shed, tha tiny business sup-plies not only false tomes for bookcases but also a range of items based on this curious use of fakery. Boxes for videos which look like ageing copies of Fly Fishing by J.R. Hartley, CD holders simulating Gardiner's History Of England, an icehncket camouflaged as the Waverley Novels, Rules Of Football is made up as a paper-weight crowned with a rugby hall. Other paperweights come with miniature models of baseball bats and mitts and golf clubs. "I know it sounds a crazy husiness, but it really

Eaton, who abandoned his life as an antiques dealer to concentrate on running the Dummy Book Company, vivldly remembers those first 2,500 dummy book ends.
"We thought about huying

them completed but the ones you could buy then just looked like Readers Digest volumes with no age. We went to a local company, History Craft in Cirencester, and it supplied the basic resin dummies. My wife and I painted them all on our kitchen table. We nearly had a divorce doing it."

The Dummy Book Company which employs 11, now does things a bit more professionally. It still huys the chalkbased resin blanks from History Craft. These book spines are made from moulds taken directly from real hooks. A small team at the Dummy Book Company converts the white resin into simulated leather hy staining, then uses waxing and polishing techniques to produce antiqueing

followed by gilding the letters. Eaton, aged 38, and his wife Anne-Marie started the dummy book husiness with £500 of their own money and maxi-

T WAS THE hig bookcase Scotland which took out a charge over their bouse.

Early sales grew quickly, Eaton says, mainly through word of mouth along the antique dealers network, customers paying up to £20 a foot for imitation book spines. Sales were a aurprisingly high £150,000 in the first 12 months. Last year, the company

moved from a small shop in Tetbury to a cow shed on the edge of the town. The Eatons spent £15,000 clearing the mess and erecting internal walls and are paying just £5,000 a year rent for 2,000 square feet.

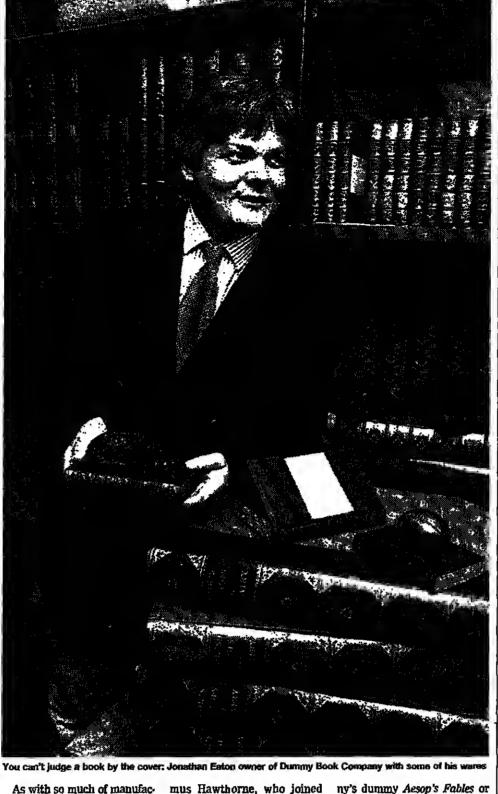
The company has grown by expanding its odd range of mimicry, adding holders for letters and telephone directories, waste paper bins, jewellery boxes and ledger containers impersonating Walton's The Compleat Angler. Just 10 per cent of sales come from straightforward dummy hook runs. Almost all the rest of the business is based on selling to the gift trade and to some large stores such as London's Harrods and the General Trading Company. Three quarters of the company's ontput is exported, most to the US. The Department of Trade and Industry helped Eaton take a foothold there by partly funding the company's display at a New York trade show. Every market, from Portugal to Japan, wants only English language books as dummies.

Eaton says. The Dummy Book Company is not the easiest type of venture to run. Its costs seem very high. Purchasing, covering materials such as resin hlanks

'I know it sounds a crazy business, but it really

took off,' says Eaton, who gave up his job as an antiques dealer

and packaging, are the equiva-lent of a half of turnover and labour 30 per cent. The company's pre-tax profit last year was £28,000. Selling in the US caused some headaches. "We originally took on two distributors there hut there was some overlapping and it was a mistake." The company now has



As with so much of manufacturing it is the retailer that takes the higgest slice. A so-called compact disc "hide" retails for about £14.50 and a book paperweight decorated with resin dog at £45. But this includes a retailer's mark up of

usually 100 per cent and VAT. Eaton has made product mistakes. "We've done about 8.000 of the paperweights with the dog lying on the book hut the one with the cat didn't work. The icebucket retailing at £120 was not successful." He considered making bedside condom holders using Dickens' Hard Times as the dummy, but thought it too risqué.

"Our higgest problem though is cashflow," Eaton says. Dispatching £40,000 of merchandise a month and carrying stocks creates a serious financial and management burden. Eaton says the Dummy Book Company is trying this year to put its house in order. "Cashflow went up the chute. We have been doing too many gift shows. We are trying now to bank recently requested regular cashflow statements and

mus Hawthorne, who joined the company at its start, has been made a director at the age of 21 with a 10 per cent share of the venture. Eaton though has toyed with the idea of

attracting investors.

The Ruins of Elsinore at his own home? Funnily enough, I've got real books there." The Dummy Book Company, 1 Cow Shed, Upton Grove, Tetbury, Glos GL8 8LR. Tel. 0666-503376

or write to Alison Prin at the Financial Times.

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Computing

Accounts package that remembers every transaction

dream of finding a good young 'un to take under their wing and guide to glory and a crack at the titla. Software reviewers feel the same way. As thay work their way through piles of new packages sent in by young hopefula, there is always the excitement of perhaps discovering an unknown who is going to knock the big boys for six.

The UK accounting software industry needa some naw blood. Recently there has been an invasion of heavyweight accounting packages from other countries: Platinum from the US, Scala from Sweden, Exact from the Netherlands. SAP from Germany.

So note the name of a British accounts package which you will being hearing much more of in the years to come -Exchequer. Exchequer is designed and sold hy a company of the same name in Bournemouth, Dorset. It also sells indirectly through a small number of dealers.

At the top level Exchequer Professional costs around £3,500 for a networked, multicurrency version. For this you get sales, purchase and nominal ledgers, cashbook, costing, invoicing and stock control, hill of materials, and basic sales and purchase order processing. This version competes with products such as Pegasus Senior, Sage Sovereign, Tetra 2000, Multisoft Prestige.

For £495 you get single cur-rency ledgers, invoicing and stock control and £695 will huy you stock control and order

This list of modules is no different from any other package, so what is so special about Exchequer? Basically, most accounts packages were designed in early and mid-80s, when memory and disk space,

pugilists were limited they aimed at efficient processing of transactions. For exampla, sales invoices are entered on to the sales ledger and analysed to the nominal ledger. At the end of the day the details of the invoices are printed out in a report (the "audit trail") and then wiped off the system. The nominal balances are summar-

> David Carter on a program which puts the facts at your fingertips

ised at the end of the month and posted from the sales ledger into the nominal ledger. Packages differ in what they do hut the basic idea is that individual transactions are entered into the computer at the lowest level, then passed on in summary form at a higher level until data from all modules is brought together in the nominal ledger.

The resulting small data files may be fine from a processing point of view, but are poor at providing management information. Managers want to look at a total balance, then work their way back (in the jargon, "drill down") to the original transactions. Traditional accounts packages only store these original transactions in summary form. To find out the precise details you have to rummage around in dusty old hoxes full of printouts.

What is the point of having a computer if it does not store all the data you have keyed in? Exchequer is one of a tiny group of packages I have seen recently which does the joh properly. All transactions are retained in full detail and can he accessed at any time. If you are in the nominal ledger and

are looking at, say, the balance on the advertising account. you can immediately call up all the iodividual purchase invoices which make up the balance and see them in full, exactly as they were originally posted on to the computer.

From this basic design a wealth of benefits flow. Press-ing an F key io Exchequer brings you instant access to any customer, purchase, nominal or stock account. In both nominal and stock you can "drill down" from the highest level (eg "sales - computer hardware") to all your individual sales invoices for computer hardware in just three or four

All invoices oo a supplier's or customer's account are maintained on the account ledger and can be viewed in detail at any time. To generate a credit note, simply retrieve the offending invoice and reverse it automatically. To see how a past invoice was paid, just press M for match and the payment details are displayed.

There are many more features. Exchequer is an astonishing package. Because it operates under a new set of rules you will have to put some effort in to learn it. The ability to jump around all over the place can mean you lose your hearings. When I first worked on Exchequer 1 was totally confused trying to work out what was going on, but after a week or two I was able to hot-key my way around the system with the best of them.

Exchequer is a young prod-uct. It does not offer as wide a set of modules as the majors. Order processing, for example, is limited. Countrywide support is not yet available. But this is one of those rare packages that takes accounting software into a new era. ■ Exchequer Software: tele

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mum loan arrangements of one US distributor selling 265,000 from the Royal Bank of through 65 agents. profits will fall this year. Sea-Fighting the Mafia in an island of fear

■ From page I dence has been accepted in court; Buscetta, in particular. has displayed an elephantine

memory. Following new laws passed last year, establishing a witness protection programme on the lines of the US, Italy's interior ministry now says nearly 400 pentiti are co-operating compared with fewer than 20 a year ago. This is a staggering increase in such a short time, and a substantial burden on

the state. The government provides each with a basic L1.5m a month, or L2m if married, plus the guarantee of a safe haven. In one instance, around 40 members of one family were moved to avoid reprisals.

The evidence of the pentiti has been used already to incriminate a top intelligence officer supposedly working against the Mafia, expose corrupt justice officials and police men, and reveal alleged links with politicians - including Andreotti, who Di Maggio claims to have seen embracing Riina at a Cosa Nostra meet-

Luciano Violante, head of the parliamentary anti-Mafia commission, maintains tha pentiti have every interest in telling the truth. If found to be lying, they risk not only losing state financial support hut imprisonment. And although nearly all these men have blood on their hands, they also know the lives of their fami-

lies, if not their own, are at alone; indeed, one of the events risk. Indeed, Buscetta's two sons have been killed in retrihutlon while Mannola's mother, aunt and sister have

been murdered. Musio is cautious about the progress of the anti-Mafia bat-tla. "It would be wrong to give the impression the Mafia is being beaten," he says. "The organisation is still strong and Riina still has lieutenants in key positions among the fami-

The job of an honest official is lonely and frightening

lies; hut progress has begun to be made. The message is rather that the Mafia, with time and determination, can be beaten." Even so, the Mafia retains the ability to kill and cause terror. Late last month, it was thought to be hehind a car bomh in Florence that killed five people and damaged the famous Uffizi gallery. That was preceded, a few days earlier, by another car bomh in Rome aimed at a television talk show

journalist - the first such inci-

beating the Mafia is the diffi-

culty of getting at its illicit

earnings - mnch of them

derived from drug dealing -

reckoned to be worth L26,000bn

annually throughout ltaly

One of the main problems in

dent in the capital.

marking the anniversary of Falcone's death has been a major conference on this issue. In the past 12 months, L3,000bn worth of alleged Mafia assets have heen confiscated, although there are legal prob-iems associated with the sei-

intimidation has made the joh of an honest official lonaly, frightening and exhausting mentally - the strained faces of the magistrates in the palace of justice at Palermo tell that story. The staffing situation there is dramatic, with nearly 500 posts vacant. At the beginning of the year, 143,000 criminal proceedings were still in a preliminary phase and 13,000 others were waiting to go for

At Caltanisetta in the centre of Sicily, where investigations into the Falcone and Borsellino killings are centred, the government last summer had to seek special volunteer magistrates to help out. Despite all this, on one

important criterion laid down hy the anti-Mafla commission, Cosa Nostra is losing. "Impunity sanctions Cosa Nostra's status of a state within a state," it says; "and if this is not corrected by the state, it is a sign that the former is either stronger than the state or that it is recognised and legitimised hy the powers that be." Arguably, this is no longer the case.

Then there is the personal security of those in the front line of investigation. Mafia

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THE PLANALYST (for directors/auditors)

FASHION AND FOOD AND DRINK

Goodbye Wall Street, hello West Coast cool

The British male professional is turning increasingly to Hollywood for a role model, reports Paul Keers

sartorial and professional role model for young British professionals was Bud Fox, the aspiring arbitrageur in the film Wall Street. Now, be has been replaced by another big-screen business figure: Griffin Mill, studio executive in The Player. Things have changed: the American look and lifestyle to which British men aspire is no longer Brooks Brothers, East Coast traditional - but West

Coast contemporary.

As the dress code of the 1990s has become more relaxed, West Coast has replaced East Coast as the sartorial role model. For casual clothes. British men are looking to the West Coast workwear, typified by The Gap chain of fashion stores. And for business, the designer look of Hollywood executives is replacing the formality of East Coast

Each world has its codes. There is a particular movie husiness style a cashmere/silk hlend suit with pleated trousers, saved from darksuit conformity by a subtle stripe of, say, lilac, rust or peacock blue in the fabric; a light, designer shirt; a Giorgio Armani tie (wider in cut and lighter in fabric than East Coast power ties); and spectacular socks. Magically transported to the other coast, to the corner of Wall Street and Broadway, the Brooks Brothers-clad husinessmen would stop and stare - but in Hollywood, that is just the Uniform.

Even the lace-up black shoes, the classic half hrogued New & Ling-woods worn by Tom Wolfe's Sher-man McCoy in *The Bonfire of the* Vanities, are replaced, by tasselled loafers - and in suede, too. When Sig Rogich, an advertising and PR

UST A FEW years ago, the sartorial and professional role model for young British pro-Cole-Haan loafers immediately attracted attention. "I'm fighting for freedom around the world," said Secretary of State James Baker with mock scorn. "So you can wear shoes like that?"

Designer menswear took off quickly on the West Coast. It was new, and it was expensive - two andearing characteristics in LA. Italian designers use lighter fabrics, better suited to the Californian climate than the heavier weight of East Coast tailoring. Indeed, tailoring itself is seen as Old World, and Los Angeles is the place furthest from being Old World.

And as with movies themselves, the entertainment industry believes in paying for hig names and trusting them to get it right. So buying top-to-toe Giorgio Armani is the executive dress equivalent of investing in Arnold Schwarzenegger. Arnie or Armani – it is still a lowrisk investment in a high-concept

The look spreads heyond the movie industry itself, even to sports personalities such as Pat Riley, coach of the LA Lakers basketball team, who now lectures American executives on motivation. He wears sharp, continental suits with his slicked-back hair: he is stylish enough to have featured on the cover of US GQ and attended Giorgio Armani's country house parties. And when the Lakers won their second consecutive championship, the talk was not of their achievement. but of why the coach wore a purple

shirt in the victory parade. It was the UK screening of the hit television series LA Law which

just how sharp West Coast dressing could be. And the BBC series Naked Hollywood, coupled with the movie The Player, have provided an equivalent view of the professionals in the movie industry. The result has been to legitimise West Coast style for British busines

The West Coast look shuns the traditional trappings of preppy businessmen: no cufflinks or braces, no heavy silk power ties, no striped shirts, brogues or three-piece suits. Instead, think in terms of lighter weight, foulard ties with Art Decoinspired patterns; plain designer shirts with unstiffened collars; loafers; and lightweight suits, dark hut with an intriguing stripe, cut more loosely than traditional tailoring. The look is like the West Coast mood - lighter, and more relaxed.

In LA, work is done at odd times and odd places: Sunday brunches, beach parties, around the pool. No wonder the dress codes of business and pleasure have become so intermingled. And while the lawyers and agents have relaxed the traditional business dress code, their style is still formal when compared with many West Coast men. The relaxed style of Californian dressing is

something of a cliché. It is still said in New York that the edict "formal dress" on a West Coast invitation means that you are expected to wear socks. Informality has reached such extremes in California that the Triad Artists agency recently felt obliged to stem the tide and issue a dress code, banning jeans and T-shirts during husiness

The most informal professionals in Western business are probably those in the California computer



companies. The average age of employees at many Silicon Valley companies is between 25 and 33. And aside from giants such as IBM and Digital, most high-tech firms are simply too young to be shackled by orthodoxies from the past. Polo shirts, jeans and loafers are standard working attire. At Apple computers. staff favour T-shirts, shorts and Birkenstock boots. "People put in a lot of hours around here, says an Apple spokeswoman. "You have to accommodate them. We have to warn executives if outside people are coming around."

And at Sun Microsystems, which employs nearly 7000 producing workstations, Scott McNeally, the chief executive, says: "We don't have a dress code. The only rule on dress is that you must."

It is this shifting attitude to dress which has spawned The Gap, the San Francisco-based clothing chain which is now the second-higgest clothing label in the US, behind that other West Coast clothing phenomenon, Levi Strauss.

What The Gap selis is dubbed "workwear" because its style comes from blue-collar professions such as truck driving and engineering, yet it is now workwear for white collar. work, such as film production, media and computing in both the US and Britain.

their When their stylish, black-and-white ad campaign appeared on London buses, you could see a traditionalist like shee designer Manolo Blahnik wearing a ... Gap turtleneck under an Anderson & Sheppard Savile Row suit. In a British menswear market looking for a way forward from traditions tailoring it was clear that this West Coast combination of the classic with the comfortable was going to succeed. It was timeless - the value we had been taught to look for in quality menswear - bnt also relaxed, that key word both of the 1990s and of Californian culture.

The Gap now provides British professionals with the casual basics chambray shirts, chino trousers and polo shirts - which are becoming increasingly acceptable in creative work as well as at weekends. Of course, on the West Coast those two may be indistinguishable: but that may also, eventually, be true of the wardrobes, too.

As the LA look makes business dress more relaxed, and casual wear more acceptable for work, there may come a point when the two

HICH Bordeaux district has a very different appellation

white wine? The answer is not immediately obvious because the area is little visited by wine tourists to the Médoc or St Emilion or even hy the Bordeaux wine trade. In Britain the wines are all too seldom seen. The appellation Premières Côtes de Bordry whites are now classified as Bordeaux Blanc or Bordeaux Superieur, according to

The Premières Côtes stretch for 60km and 37 communes along the right bank of the Garonne from just north of Bordeaux to St Maxiant on the outskirts of Langon, but their width is never more than 5km ever, in many cases they

Worthy clarets on the fringe contrôlée for its red and dry

become the Entre-Deux-Mers. Like most lesser French wine districts the Premières Côtes had never really recovered alcoholic strength. Yet, since 1981 the sweet whites are from phylloxera (a lice which destroys vines) and the almost Premières Côtes de Bordeaux continuous economic crises up to the second world war. Afterdecayed area, but in the 1950s and early 1960s, it was partly revitalised by immigrant growers from North Africa. How-

tbese attractive, often steep

sinnous river upstream. Inland transform neglected vineyards and restore semi-abandoned

> in the last dozen years a new generation of growers from a variety of professions - but all fired with the ambition to make wine - saw the opportunities to buy estates at hetween FFr150,000 and FFr350,000 per hectare according to their state, compared with FFr1.5m in St Emilion and FFr4m in Pomerol. Accessibility to Bordeaux was also an attraction. Estates that I recently visited included pur- a little Malbec too, although

- usually less - following the lacked sufficient resources to chases made in the last 12 seldom replanted. But there ties. White wines, basically years by Belgians, Danes, Ger- are wide variations, and I visman and Japanese, as well as parts of France. The most recent I came upon was made last summer, Ch Barreyre in Langoiran, acquired by a Bordeaux builder and a doctor who had left medicine to

Edmund Penning-Rowsell tries some lesser-known bottles in Bordeaux

become a wine grower. Traditionally, the dominant red grape has been Merlot. The per cent, with 25 per cent Cabernet Sauvignon and 15 per cent Cabernet Franc. There is ited chateaux with up to 70 per ever, the preponderance of Merlot and the terroir means less tannic wines than in districts such as Bourg and Fronsac. Thus thay are usually drinkable after four or five years. The '88s and '89s are already agreeable, though the more concentrated '90s will

need more time. There are 450 growers in the area, 250 making mainly red wine, with an average total production of about 1.2m bot-

Sémillon, with Sanvignon and Muscadelle added account for ties. in the north the wine is mostly red, but white gradually becomes dominant south of Cadillac (the walled bastide town built by the English in the 12th century).

Popularity of the Cadillac moelleux has been growing, following increased demand for Sauternes and Barsac. Sweet, but not luscious, it is commonly served in the area as an aperitif - with or without foie gras. If available in the UK it

should not cost more than £6. and the reds and dry whites from £3.50 to £5.

Increasingly made is Clairet rosé, said to have originated in Quinsac, where in the Place de l'Eglise the Syndicat has its offices and will help visitors to

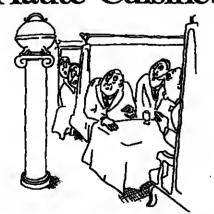
Nowadays 80 per cent of Premières Côtes wines are sold in bottle, almost all hypassing the Bordeaux trade and selling

wholesalers and restaurants, with a surprising proportion exported, particularly to Belgium, experts at seeking-out good, inexpensive claret.

Germany and Scandinavia also provide good markets, but almost everyone told me that the British market is very difficult. Tesco has the exclusivity of Ch Leon, a subsidiary of Ch Carignan, which is bought by Victoria Haut Rian.

buy a certain vintage, via a Bordeaux house, and then perhaps not replace it immediately. Firms mentioned to me include Averys of Bristol; Berry Bros & Rudd, London SW1; Justerini & Brooks, London SW1 and the Wina Society, Stevenage, Hertfordshire. For quality and price the wines are worth

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Cookery/Philippa Davenport Guess who's coming to dinner

T WAS TO have been a simple yet greedy feast a deux: asparagus to start, followed by wild salmon tails dressed with an olive oil variation on beurre noir, then soft goat's cheese with oat-cakes or soda bread, and fresh cherries and apricots to finish. But it was not to be. Friends turned np unexpectedly and stayed to dinner.

The thought of snch impromptu entertaining sometimes seems daunting but, in practice, many cooks rather enjoy the challenge - occasion-ally. Sudden demands on resourcefulness can stimulate good ideas providing, of course, that there is a store cupboard worthy of the name on which to to fall back and that the refrigerator contains something other than the mouldy remains of a tin of

On this occasion, I teamed the olives and capers with a few hard-boiled eggs for hors d'oeuvres. The asparagus and salmon then combined to make a ritzy, yet fresh-tasting, ver-sion of kedgeree, which went down so well that I have made it several times since. The cheese course and dessert ingredients were telescoped



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an idea gleaned from food and gardening writer Lynda

Wrap 1-1% oz mounds of soft goat's cheese in vine leaves that have been blanched and painted all over with olive oil. Grill the parcels gently until the contents are warm and the leafy surfaces begin to brown. Serve with a fresh apricot sauce made by stewing until tender some skinned and chopped ripe apricots, with a few tablespoons of water and vanilla sugar to taste. Partner the pud with chilled dessert

SALMON AND ASPARAGUS KEDGEREE

(serves 4-5) Flecked generously with flavoursome goodies, this is a pretty dish: pink, green and

increased to 10 oz without any hint of meanness. The asparagus is cooked as I like it (neither fashionable semi-raw nor old-fashioned limp) but timing can be altered to taste.

Ingredients: 2 salmon tail fillets weighing about 5 oz each; 12 oz asparagus; 8-9 oz basmati rice; 1½ pt fish stock; about 3 oz butter, a bunch of flat leaf parsley; wedges of iemon for serving. Method: Soak the rice in cold

water for 10 minutes or so. Wash, trim and scrape the asparagus. Cut it obliquely into 1½ inch lengths. Set the tips aside and put the rest into a steamer basket. Oil lightly the base of a second steamer basket, lay the fish in It skin side down, and season with salt and pepper.

drained rice. Cover and cook at steamer baskets as necessary. a fast simmer for about seven minutes. Then, stack the as it is cooked and lay it akin steamer baskets over the rice side up in a serving dish in and continue cooking for about which you have melted tha eight minutes more. butter. Strip off the skin and

Put the asparagus basket immediately over the rice (the stalks will need about aight minntes, the tips about half that time so add them later) and place the salmon basket on the top of the pile, where the steam will be gentler so the cooking process is slower.

This means that all three ingredients should he ready more or less simultaneously the rice tender, the asparagus not collapsing but retaining a litle crunch, the salmon moist and just cooked through - but it is best to check progress by looking and tasting now and then. Adjust the flame, alter



Lift out the salmon as soon

flake the flesh into the butter.

Add a good grinding of black

pepper, mix in the rice drained

of the stock, and 5-6 tables-

poons chopped parsley. Fold in

the asparagus, check for salt

and serve with wedges of

Although the salmon is cooked to the same degree as in the kedgeree, tha steaming process is quicker here because tha fish basket is placed

SALMON WITH OLIVES

AND CAPERS

This recipe, which uses the

same amount of fish as the

kedgeree, makes an almost-in-

stant main course for two

directly over boiling liquid. Ingredients: 2 salmon tail fillets weighing about 5 or each; 1½ tablespoons olive oil; 1 tablespoon black olives (preferably tiny whole Nicoise olives, or stoned and sliced kalamata); 1 tahlespoon chopped capers; 1 tablespoon chopped parsley; 1 lime:

Lay the fish skin side down in a lightly-oiled steamer basket. Season with salt and pepper and steam over boiling water until it is just cooked through, about four minutes.

Make the sauce while the fish rests. Heat the oil gently until hot and fruity. Draw the pan away from the flame and add a good seasoning of freshly-squeezed lime jince. Swirl to mix and stir in the olives, capers and parsley.

Spoon the sauce over the salmon and serve garnished with wedges of lime.



meet in the middle. Or is that just California dreaming? direct to private customers,

Traditional merchants may

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A more selective way to enjoy Hong Kong

Lucia van der Post takes it easy and is not taken in by bargains

Hong Kong is always special but now that I am an old hand I find it interests me in different ways. Fifteen years ago Hong Kong seemed like the bargain base-ment of the world. Hand-embroidered linens, fake watches, cheapo copies of famous handbags, slightly imperfect cotton shirts, cute children's clothing - you name it, f bought it. I learnt the hard way that only the very best of Hong Kong tailors ever produce exactly what you have in mind and

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HE FIRST time in Yaumatei on Kowloon, open every day from 10 am to 4 pm) as an experience, not as a place for serious investment and do not expect, unless you are really knowledgeable, to find a bargain.

Dedicated shoppers wanting to track down keenly-priced designer labels should get the excellent free guides issued by the Hong Kong Tourist Associ-ation - Shopping and Factory outlets and Hong Kong Factory Bargains. Those who, like me, are after proper antiques should buy Drummond's Hong Kong Guide to Art & Antique



The oldest tea-merchants in Hong Kong - Yuen Man Hing Kee Tea Co

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These days, I huy much less and better. If I need a special lens for my camera or a string of pearls for a 21st birthday celebration or have a special antique in mind, then I plan it and go where the prices are possibly higher but the quality First-timers, though, should

never miss the markets prices may have risen but they still are filled with life and interest. Stanley Market and the Kowloon City Market are the places for clothes - you need to be patient and prepared to sort through rails but bargains are there to be found. able silks (wonderful Equipment-style shirts) and tracksnits. Shoppers in both markets are mostly tourists. If you want to shop where the locals shop then go to the women's market in Mongkok in Kowloon - the prices are

Treat the Jade market (in

the oldest, fuddy-duddiest of the Communist China Stores (the one in Queen's Road Central which is always filled with local Chinese doing proper shopping) just to catch the flavour of China proper. I like to look in on Li Yuen Street East and West, heart of the rip-off merchants (this is where you buy a belt with Woschino written on it and once the money changes hands you turn the W the other way round) just to see what's up.

If I feel in need of anything smart to wear the best build-ings (FIK, you seen learn, is



Ancient remedies from the herbal medicine store in Queen's Road West

can buy Ming dynasty figures for around HK\$1,000 or a giant Han dynasty horse for about HK\$7,000.

From there walk around the ladder streets and head in a Westerly direction. As you walk along The Nun's Street listen for the click-click of the Mah-jong pieces coming from almost every room.

In Tai Ping Shan Street in Western district you will find the fortune-telling temple where the locals line-np for serious consultations. In Queens' Road West there is much more fun to be had browsing round the traditional shops than in any number of

Where else could you find 20 candles for just HK\$10, if not at the Temple Equipment Shop? Where could you drink Nine Dragon Tea, a tea to wake the dead, if not with the fourth generation owner of the oldest tea merchants in town, Yuen Mau Hing Kee Tea Co, 45 Queen's Road West? Who else would show one bow to serve the tea? (Use a pottery pot, keep it wet to make sure it does not absorb too much and replenish endiessly). Where else could one eat an authentic Chiu Chow meal in the simplest but most appealing of local

restaurants? (At 49, Queen's

Road West, Sheung Wan, It

looks like a take away but you

will find seats unstairs) When the jet-lag threatens to the sanctuary of the Mandarin Hotel but before you sink back in your room to admire the view stop in at the health spa which has bad a "major refur-

bishment". Ask for one of the soothing Eastern-style massages and you may, like me, get Christine. She specialises in a combination of vigorous massages which she follows with some reflexology, all accompanied by stream-of-consciousness chatter.

"Fat thighs." (As if I didn't know.) "You drink two pints asmine tea a day, you eat fish four or five times a week . . . crystal on kidley. crystal on thyroid . . . cook plenty for your hushand... way to husband's beart." Sound advice I am sure. Just what you need to hear as you set out on the serious business of shopping.

Save some time to take a few days off in Macau. Jet-foils leave Hong Kong about every 15 minutes all through the day, the journey takes about an hour and it costs about £10 each way. Macau is an ancient trading city, where the great tai pans of the old China Coast had their summer homes and where Sun Yat Sen planned the overthrow of the Manchu

Do not be put off by your first glimpse of the sky-scrapers on the skyline ("Oh, God," you think, "not another Hong Kong"). You will find a heady blend of strange cultures -Southern Chinese, Portuguese and Macanese - which makes

it quite, quite different. In the old days people went there to gamble and to eat dog - today they still go to gamble but I would go to wander round the old cobbled lanes, rummage in the street markets and poke around the antique sbops. I would go to see the temples and the gentle colonial architecture and I would go to stay in the Bela Vista. The Bela Vista is where Hong Kong's governor Chris Patten comes to stay when he takes time off to rootle round the hackstreets of Macau for antiques and local colour. Once a grand private mansion stand-ing on Penha Hill overlooking the Praia Grande Bay it is a splendid contrast to Hong Kong's Mandarin - small, with

just eight suites, each one dif-

ferent, it is personal, intimate,

a hotel with real character. best to go in the mornings - is From there you can saunter in the lanes round Rua das out to enjoy Macau. These days Estalagens (close to St Paul's almost anything you care to ruins, a big Macau landmark). name is cheaper than in Hong We found marvellous old furniture sbops in these little Kong. If you are short of sports clothes San Domingos Market streets and fell on the pieces in is the place to bead for - I Lal Weng Lok in the Rua Nossa Senhora de Amparo No bought a man's cotton shirt for £2.50, a cream tracksuit for 37 R/7. A mixture of genuine myself for £3.50 and jeans, polo old pleces from the mainland shirts, children's clothes (in and new, impeccably made copies about which they seem particular the Red Market) are

Eating al fresco at the Bela Vista in Macau

all available for a song. Many

are seconds from the factories

that cburn out these things for

price when they get back

home. The flea market - its

will pack and ship. the West so look carefully before you buy.

More fun, in my view, is looking into all the antique Madeira No 19 A, I found more cards and is generally better geared up to Westerners. shops - rumour has it that many of the Hong Kong dealers buy here and double the Other good buys are hand-

embroidered cottons and linens, porcelain old and new lots of gentle blue and white tea caddies, plant pots, table ware. Gold jewellery and pearis come duty free and with no sales tax and are popular but the designs seem to me dull and unoriginal, though you could not go far wrong with a classic string of pearls.

totally honest, prices were

incredibly good. Lai Weng Lok

does not take credit cards but

And if you want to huy eveo cheaper and go closer to the original source of the embroidery, the basket-ware, the jade, the porcelain, take a trip into mainland Chioa - you cao make it to the border in a couple of hours and just beyond the border you can start haggling in a small open-air market-place. Otherwise three-day tours are organised to several Chinese towns.

Food is marvellously inter esting. For posb dining you could go to the Bela Vista - a lovely room and an eclectic mix of international food and local specialities. Fernando's baked crab casserole they say is not to be missed (though, sadly, we had to) - find him at Hac Sa Beach No. 9, Coloane. The Inner Harbour area is wonderfully scruffy but filled Ian Kam Kei, Rua de with life and interest - eat at the informal tables set up in fresh, zesty seafood. We eat wooderfully at Henri's Galley, 4 Avenida de Republica - plate after plate, starting with spicy prawns and including African Chicken (a local speciality) and

> a whole roast fish. Flights to Hong Kong ore expensive (British Airwoys offers a World Traveller, with a minimum seven night stay, but otherwise the economy fare is £1,200 return) so I would recommend the special British Airwoys Holidoys (Tel: 0293-611611) package of £925 for return scheduled flights and 7 nights at the Mondarin Hotel (room only).

■ The Bela Vista in Macau charges HK\$1,600 per day per

EXHIBITION

Tables by Design

full of buildings) are The Land-This time, though, I decided smart department stores. to wander more and buy less -I liked it better. Start with the Hollywood Road, which is where all the best of the antiques are and where there are still workshops and ateliers where almost no English is spoken. Tomb figures, it seems, are currently all the rage - you WHO SELLS

China's antique treasures

F YOU are in the mood for some serious shopping in Hong Kong then you proper antique Chinese furniture. For those who like the thrill of the chase, who like rummaging in scruffy shops, then there is a lot of fun to be had walking up and down the hills and backstreets of Central District.

Head for Hollywood Road, a bare ten minntes walk from the Mandarin, and potter round the "ladder streets" you will find everything from posh set-ups discreetly exhibiting a few rarified pieces to little hole-in-the wall shops where you can hardly see the contents for the dust.

If you prefer to have the nazard removed and want a certain source of well-priced authenticated Chinese antiques, visit Beatrice Owen. She has been collecting Chinese and European antiques for years. Finding herself in Hong Kong she set about learning Cantonese and studying Chinese furniture. She makes regular forays into mainland China buying furniture, carpets and other traditional artefacts.

They are almost invariably in poor condition when she buys them but she has two Chinese carpenters who repair, restore and sand down in the traditional way. She will not buy furniture that has been restored on the mainland. "The passion," she says, "for

care has gone, they use

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modern materials and glues whereas my carpenters make their own tools and use only the old traditional methods. Her tastes runs to simple. country-style furniture. She does not go in for the over-

decorated, ornate pieces that

sit uneasily in Western homes

Her shop is at 40 Hollywood Road, Central, Hong Kong. It always holds a selection of restored pieces and artefacts a pair of late 18th century elm wardrobes from the North at HK\$35,000 (approx £330) each, hutcher's tables (HK\$3,200), campbor chests (HK \$1,100) and porcelain, silver, children's toys and

Much more fun, though, is to visit her warehouse - ring the shop (telephone 850-7813) and she will make an appointment. Everything there is piled high, covered in dust, mostly unrestored and much as it arrived from the mainland. Here is a perfect chance to test your eye. Which is the camphor chest with best grain, the hutcher's table of the most pleasing dimensions, the cupboard with the finest

Prices seemed exceedingly reasonable - yon could buy



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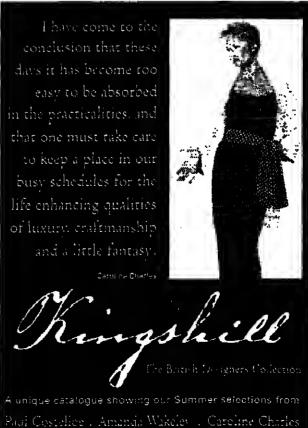
a fine piece of cabinet work. a genuine antique, for less than half the price the equivalent piece would cost

in the West

Owen will organise packing, shipping and all the tedious paper work. The other great

bonus is that not only is the antique furniture much more beautiful than most modern repro hut anything over 100 years old can be imported free

Lucia van der Post



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The case of the discourteous cockroach

AM SITTING in an old corner coffee shop in Singapore. A cockroach has just walked past my chair. I almost fall to the floor in shock. Singapore is possibly the cleanest place on earth; there is not even any bird muck about. Every car looks sparklingly new. Cockroaches mean dirt - and dirt is not allowed in Singapore.

That cockroach must be punished. There are societies where rules are flouted. People cross roads on red lights, sit on lawns beside "Do not walk on the grass" signs or insist, quirkly, on the right to light up giant stogles in no smoking areas. Then there are societies like Singapore, where rules are meant to be obeyed strictly. None more so than the cleanliness laws.

Kieran Cooke discovers an intruder in a society where everyone observes the litter of the law

relentless campaign against dirt creators. People can be fined up to \$\$1,000 (£420) for not flushing public toilets. Smoke in an indoor public place or give a careless spit and bang goes another hefty wad of dollars. Carry chewing gum into the country at your peril. Since last year, the evil stuff has been banned. It is dirty and has been known to mess up the operation of the doors on Singapore's pristine underground system.

The authorities go to considerable lengths to catch litterbugs. Recently, closed-circuit TV cameras were installed at a housing estate to

The Singapore authorities wage a try to catch people throwing rub-elentless campaign against dirt bish out of windows. Being caught discarding a sweet wrapper or cigarette packet risks not only a fine but public bumiliation as well. Recently, the government cornered 10 litter louts and the media was called in. These social deviants were lined np for punishmant, forced to wear neon-green "Corrective Work Order" vests and set to work picking up rubbish. For an hour, they were paraded before jeer-ing onlookers and television crews. There were front-page pictures in the newspapers.

Some have said the government is

ing China's cultural revolution of the late 1960 when alleged counterrevolutionariees were subjected to similar public humiliation. But most Singaporeans have come to accept the finger-wagging ways of their government. In any case, most are campaign drunk, anyway.

Scarcely a month goes by without a new campaign being launched. There is the anti-smoking campaign (with the papers carrying a daily picture of a healthy non-smoker), the anti-road bully campaign, the speak Mandarin campaign. Then there was a birth control campaign

tion, the government is changing tack. Educated women, especially. are being encouraged to have more children.

The government is waging a campaign to make people more entrepreneurial. There are even suggestions of a campaign to make Singaporeans more spontaneous. Meanwhile, a courtesy campaign has been going on for 15 years. This year, the government - under the auspices of the recently formed Courtesy Council - has decided to spread its campaigning wings and the target is "ugly Singaporeans"

paign: one MP drew a parallel with for families to "stop at two." Now, the activities of the Red Guards durfaced with a rapidly-ageing populaabout such people.

Apparently, Singaporeans have a Apparently, Singaporeans have a vacuum cleaner approach to buffet meals, piling up their plates and shovelding excess food into carrier bags. They use calculators when looking at menus. They grab any free gift going, steal hotel towels and are constantly on the look-out for free lavatories. They take pic-

tures when not allowed. These anti-social traits are by no means exclusive to Singaporeans; many people from other countries have similar, or even nastier, habits. But Singapore's motto is: never

let a chance for another campaign go by. Come July I, the foreign minister is due to fire the first shots against the ugly Singaporean abroad. Tourists, business people and students will all be under scrutiny. A search is on for the politiest Singaporeans overseas - the so-called "courtesy ambassadors."

An official involved in the campaign says one effect will be to make Singaporeans overseas feel wanted. "It will hoost their morale, as many feel neglected and left out of what happens in Singapore." But my cockroach does not look neglected. It is looking fat and content as it strolls around in the dirt. Probably a smoker and gum-chewer to boot. Never flushes toilets. Must be a visitor from overseas.

Man with a plan tries to make sense of London

Jimmy Burns joins a tour with the mayor of Barcelona

elected mayor of Barce-lona since 1982, presides over a city that has come to be seen widely as a model of well structured urban planning, bold architecture and leadership.

At 52, he can look back over two and half terms in office during which Barcelona has undergone one of the most ambitious urban renewals of any European city. The process culminated in the creation of an Olympic village on what was a polluted wasteland on the banks of the Mediterranean.

The FT brought Maragall to London, a city despised by so many of its inhabitants because it lacks the very qualities which Barceloneses claim as their trademark. Is Barcelona as good as people make out? Is London as bad? What too, could we learn from Maragall, the "urban socialist" wbo claims to know what makes urban dwellers happy. We flew him to Heathrow and took him round the city for a day. This is a diary of his hectic progress through the British capital.

11.30 am There are no traffic jams on the M4 as we drive into London from Heathrow. "The last time I took a taxi into London, the traffic was so bad I abandoned ship and took a subway instead," says the mayor. He has to admit thet traffic in Barcelona is also pretty horrible.

The western outskirts of London unfold. No Mediterranean sun or coastline here, no Olympian village. Just a landscape of cricket fields, warehouses, office blocks, and terraced houses. Maragall looks bored. "I have to agree with the Prince of Wales, there is a sound basis to dislike much of what has been built in London, Look at all this, I am unable to understand what is going on about me. For a citizen of a city, that is the most damaging of sensations. Being lost in a landscape you cannot understand. There doesn't seem to be a cohesive urban development plan." Barcelona has the strictest historical preservation code of any European city. A property developer who wants to demol-isb a building has to prove to the mayor's officethat it is not of histor-

ical significance. 12.00 am The terraced houses give way to the Imperial grandeur of museums and parks. "The British Empire was very clever. It made sure that if you wanted to find out about the world you had to come to London. Even Marx had to come to the British Museum."

Barcelona boasts more art nouveau buildings that any other city and more than 50 permanent exhibi-

the tourists watching the changing of the guard. The Royal parks and **Buckingham Palace are illuminated** by a spring sun. "Now all this is the result of history and a time when there was 'sound planning'. When I see all this, I think, God it's beautiful. It is the summit of bumanity, but I also think, how unfair. Why is it that it is always capital cities that have the wealth of the nations to spend on themselves? What will happen to London when it is not the capital of a sovereign state when the real nation is Europe?"

Whitehall, he muses, as we leave Big Ben behind, has too much concentration of power; the City is too exclusive in its emphasis on business, the way it functions only by day and closes for the night.

"Cities are not islands, nor should they have islands in them because if they do cities disappear...you deny citizenship...The City is dead

'What will happen to London when it is not the capital of a sovereign state when the real nation is Europe?'

at night. I don't see why it should be. All you need is to mix residences with shops.

So what can Barcelona offer by day and night? I ask ... "A surprise: a city that is alive. People strolling down the Ramblas ... people talking to each other ... a city made up of equally important parts," Maragall answers.

12.30 Maragall alights from the taxi at the corner of Broad Street and Bisbopsgate in the midst of buildings wrecked by the IRA bomb blast. Looking up at the shattered Hongkong and Shanghai Bank, he seems not so much shocked as unimpressed. This building is not a Norman Foster. It's not very beautiful." (Foster is one of Britain's exports to Barcelona. He designed a telecommunications tower described by Catalans as poetry in

"This kind of thing can happen in any city. It's very difficult to stop terrorists as organised as the IRA. We couldn't." Maragall says a city that concentrates its financial activities in one area is more vulnerable. 1.00 To the FT for lunch with Sir Peter Bowness, Tory leader of Croydon Council; Tony Travers, from

the London government unit at the

ASQUAL Maragall, the elected mayor of Barcelona since 1982, presides tions, but the emphasis is on the LSE; Margaret Hodge, former Labour leader of Islington Council and Stephen O'Brien, chief Executive of London First and London Forum, the business-led body which has the government's backing to

promote London.

Sir Peter defends his patch.

"When one talks of London," he says, "one can only consider its different constituents which in themselves are very different from each other." Travers says London is "a whole collection of villages" defined by history and justified by it. Hodge insists that a city like Lon-

don needs a voice. Maragall knows Hodge as an ally. "London to an outsider presents a curious face. It seems a city that is being subtlety subjected to a very centralised government which

ignores the wishes of the citizen." O'Brien suggests that perhaps the mayor does not really know what makes London tick. "There is a definite move against centralised government bureaucracy ... greater co-operation between business and public sector to put pressure on government... It is not an attempt to present a new vision in London, pen in London . . .

And certainly not with an elected mayor, adds Sir Peter. "There is not the same loyalty in the populace to the concept of municipality as there is in other parts of Europe. It simply wouldn't happen. There is no groundswell of public opinion. Quite apart from the objections at local level. MPs instinctively don't like competition."

Hodge disagrees."That's not what the surveys in the Evening Stan-

The dialogue shifts to culture and design. Maragall says: "If Barcelona has one asset it is the gift of design. You cannot show a design that is not the best otherwise you lose your trademark. Barcelona wanted to be a capital and never was . . . it is always trying to go beyond itself and we had a lot to catch up after 40 years of dictatorship...

The gathered Anglo-Saxons look bernused. 2.45 pm The Docklands Light Railway. It is running on time,

uncrowded, its passengers are mainly businessman "In Barcelona not only do we not have half as many underground lines as you have here...but no one apart from the working class

But Londoners think their public transport is crowded, unsafe, dirty. Maragall shrugs this off as unjustified moaning. "Twe spent two years living in New York, this is paradise by comparison," he says.

Docklands give him the cue to

talk about his own achievements.

We redesigned whole urban areas which didn't seem to belong anywhere any more. We gave symbols of power to the periphery in the form of statues. We gave people the idea that we care about them ... we

built new low cost housing and squares where brothels had been." Even an elected mayor cannot get everything he wants in a chain of government that runs upwards to the regional authority and then to Madrid. Maragall looks at the DLR with regret. "This was the kind of train system I wanted in Barcelona but I didn't get the money for it

from the regionalist government." 3.00 pm Canary Wharf has some of the same architects as Barcelona. It has bold designs. But Maragall finds it too empty and silent.

"Where are the people?" he asks. From the 34th floor of Canary Wharf tower Maragall looks across Docklands. "I like this more than La Defence in Paris. The architecture is more human. It's the scale that obviously is too hig. This is going to take years to occupy fully and someone will have to pay for that. This was the product of a government that believed the free mar-

ket was everything. This is a capital sin. Sheer arrogance. However, Barcelona's equivalent pic village built by a mix of private and public capital and socialist government intervention, is also partly

unoccupied. 4.45 pm The mayor goes n in a Riverbus. He says that while Barcelona had rediscovered the sea, London has obscured

Watching the rush hour stampede across London Bridge, he says: "It would be very difficult for Latins to cross a bridge . . . they don't like having their cars more than about

200 metres away from their work .That's why the traffic is so bad in Barcelona.

5.15 pm Stepping ashore at Festival Pier, Maragall says of the South Bank: "It's horrible. You should knock it down but only gradually . . . l remember when Franco died the architects wanted to knock everything down ... we restrained them so something was left."

The Mayor insists on diverting to the Hayward Gallery where there is an exhibition by James Turrel, a Californian, and one of hundreds of artists who Maragall has brought on to the streets of Barcelona to be viewed free-of-charge by the public.

5.30 The delegation makes its way across cardboard city. Lon-don's homeless lotter among excre-ment and empty beer cans. "This is no worse than Barcelona. This is a worldwide phenomenon. These people will always seek shelter under-

- E

7000

5.45 The Mayor is given a private preview of the new international terminal at Waterloo station. Gazing at Grimshaw's bold design, listening to the men from Bovis and British Rail talk about the wonders of Europe and getting to Paris in three bours, Maragall thinks he has found the link he has been looking for. "It'a airy it's wide . . . it's beautiful ... It's EUROPE ... This is

going to change London's history."
Unfortunately the terminal is not the international link he imagines. BR has abandoned its southern route extension to the Channel tunnel and the fast European trains will run on a northern route from St Pancras, leaving Waterloo redundant. It is an example not of European vision but of the unco-ordinated government that bedevils London. At day's end, Maragall had been seduced by a white elephant.

Fishing

Days of joy before the fouling of Eden Tom Fort reflects on the pleasures of his favourite river - since stricken by an ecological disaster

OT THAT long ago - a lifetime or so - most of England was blessed with true trout rivers, by which I mean rivers with self-sustaining stocks of native brown trout. But our age, characterised by neglect and abuse, has seen the destruction of much of this legacy. Pollution, abstraction, and unthinking exploitation has picked off one river after another, and the

process of ruination continues. Of course, there are still English rivers on which the wild brown trout may be caught. Those game, fierce fellows of Exmoor and Dartmoor still thrive. There are sanctuaries elsewhere in Derbyshirs, Yorkshire, Northumbria and Shropshire. And the wild fish hang on in the chalk streams of the south, despite often being outnumbered and eclipsed by stocked interlopers. Although a southerner wbd does my most potent daydreams are of another river which belongs to the north-west. It is the Eden, a great, broad river in Cumbria which defines a landscape of sweeping, fertile fields and treeless, dun fells. It has a scala and a grandeur which no southern river can match, and its trout are - for the most part -

A while ago, I wrote of the bridge over the Eden at Langwathby, and the view of the river above. It is as grand a sight to me now as when 1 first drank it in nearly 30 years ago. The river here is so wide that, between one bank and the other, it presents most of the varied aspects of its enchanting character. There are bubbly shallows, dark channels between rosy sandstone boulders,

most of his fishing on the Kennet. marbled runs emerald with weed, and calm depths shaded by beech and hazel

When there is a hatch of fly, it can take a full morning to do justice to this short stretch, from the bridge up to where the river bends to the right. A little way higher is a steep bluff, thick with trees. The water runs deep and strong at its foot and is full of trout - although the difficulty of the wading and the steepness of the bank make getting at them something of a trial.

Above this stretch are wide, featureless flats followed by a tremendous reach, deep enough to demand chest waders, thick with weed and alive with fish, I have stood there at the height of a sedge batch on a June night and lost my head and almost nothing of matching the fly my nerva utterly at the sight of a to the hatch. I would tie on a



surface boiling with feeding trout. There, too, I suffered an early, indelible trauma. In those days, I knew nothing of the dry fly and

made-up cast of three flies - Fartridge and Orange, Brown Owl and Greenwell, perhaps - and fish with it until a break or a tangle forced me to desist.

On this occasion, I was with one of my brothers. It was late April. The sky was white, the wind raw, and soon it began to snow heavily. Wa were astounded when a frenzied rise began. Between the snowflakes, we saw multitudes of dark, highwinged flies on the water and the

trout slashing at them. Delirious with excitement, we flailed away until the numbness of cold and failure overwhelmed us. Several years later, I realised that the hatch was of iron blues and that, with a dry fly or a wet Snipeand Purple, we must have done

In those days, we fished the wet fly downstream and nothing else. I used to hook a lot of fish - and lose a lot. When the weather warmed and the water fined, the trout would not look at a wet fly. One hot day in June, I watched a stranger extract two fish of more than 11b each on a dry black gnat. Entranced by the

an instant convert. In general, I have remained true to the faith and the rewards have been rich. There was a day, a couple of years ago, when the light olives hatched for 12 hours without cease. l began below Watersmeet, where the Eamont flows into the Eden, then fished up the Eamont, and returned to the Eden as twilight came. And when I reeled in and

splashed to the bank, the bats were

delicacy of the execution, I became

out and the trout were still taking.

So many hours and days on the Eden come back to the mind, the disasters and blanks filtered out to leave the triumphs and the joys. Each time I have returned, I - like so many before me on this river have thought how well it was named

There is, though, a ghastly foot-note to this lyrical celebration. At the end of March this year, a tank containing liquid ammonium oxide fertiliser overturned beside a small watercourse at the head of the Eden valley. The chemical killed virtually every fish along 20 miles of river.

Although the slaughter stopped short of the stretch which I know and love, the whole river has been stricken by the disaster. It is a reminder - if such were needed - of man's infinite capacity for defiling his inheritance, and of what happened to the first Eden

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The last

'Oach The return of the painted warrior

HE LAST time the Australians visited, in 1989, they began their annihilation of England's Test teams with a crushing victory at Headingley. When their batsmen there had reached 525 for six, I found Allan Border, cheered no doubt by the score, happy to sit and chat about cricket.

Four years later the international game has changed. Or perhaps one should say continued down its course. Strong, pragmatic defences have been erected and press conferences are the preferred quarters for the press, which I can understand. But players with the most spectacular public images, such as the old painted warrior Merv Hughes and the new legspinner Shane Warne, are stars as well as cricketers, with agents who have negotiated exclusive interview rights for them with particular

The nearest I have got to Hughes so far this season is watching him play and, for a change, watching him jog round the Oval last week in a pair of shorts when bad light stopped play. He was not in the Australian team playing Surrey and this was a chance for him to get fit. Or at least look fit; he has started to lose the extra fat he acquired in taverns back home.

Fitness has become an article of faith in Australia, as it has with a vengeance in England, but at the same time Hughes's image is that of a arge and lumbering terrorist with the ball, a man of beer and power. I doubt if his real power lies in his fitness or in his speed. Though I am sure his agent would not like me saying so. I reckon it lies in his steadiness. He and Craig McDermott make a

good, steady, pair to open the Austra-lian bowling, neither of them on the West Indian level of speed or danger. Hughes is an example of a player whose public persona has overtaken his play, though he is experienced enough not just to survive but to profit from that. At 31 he is nearing the end of his bowling career and is used to pressure, including pressure from his aggressive image, and if he falters he can-always fall back on fierce antics to go with his zino-cream

England's best response, of course, as Graham Hick did with his mammoth 187 against the Australians at Worcester last month. For those less blessed with the ability to hit fast bowlers for six, polite indifference is a good weapon. The English team. imprisoned in their own sad image. without a true fast bowler to their name, without a victorious series since 1990, have every reason to remember that images are only images and neither side has a top

class bowling attack. Much will depend on determination. In a way, Graham Gooch is a good man to captain England now, while Australia are flushed with confidence, because he is largely impervious to psycho-suggestion and image propa-

ganda. He does not look happy or comfortable as captain, but nor is he unduly impressed by accounts of young Australian wizards, such as the young Australian wizards, such as the spinning Warne, or of Border's invincibility, especially as he knows Border from the latter's Essex summer in 1986. Mark Waugh is another old Essex Australian. Best of all, Gooch watched Hughes do a spell in the Essex second eleven, his first step on the way up to being the hairy warrior straight from the outback. straight from the outback.

Warne is more of a problem because he is more of a mystery, the Austra-lian equivalent of England's Phil Tufnell: a difficult, match-winning spinner, very hit and miss. Warne is everything young and Australian in English eyes – a blond surfer-turned-cricketer adored by sunburnt girls. In other words, at only 23 with little Test experience, he must be vulnerable as well as threatening.

The Australians are counting on their transfusion of new blood mixing well with their strong body of experience: Border and vice-captain Mark Taylor, who is nothing if not endur-ing, the prolific David Boon, the Waugh twins and Ian Healy, the neat wicket-keeper.

Hughes, in his new role as the grand old man of Antipodean bowling, gave great help and comfort to Brendon Julian, the left-arm fast-medium bowler, not yet 23, in the Texaco game at Lords. Julian offers lethally swinging yorkers and wides in an assortment unpredictable to everyone. including himself. At Lords he bowled Alec Stewart an over which included three wides and three balls struck disdainfully for four. After swigging down tea and Hughes's advice and changing ends, Julian bowled his secand spell: eight overs, three for 23, including the wickets of Stewart and Hick. He was made man of the match. Border looks more tired than Gooch

of providing constant encouragement for his team and makes no secret of the fact that he no longer enjoys Test cricket because it is too fraught. It certainly is. I doubt if there is much difference in ability between the two sides, though the selection of Mike -Gatting, a veteran might-have-been, is a step to nowhere in particular and must have cheered Australian hearts. English hearts need an enterprising

as there is nothing to lose. Why not a faster bowler to open the attack, such as Surrey's Martin Bicknell (24) and a young, fine, left-handed batsman, such as Graham Thorpe (nearly 24), who can also break up partnerships with his occasional bowling and is a dynamic fielder? Every team has its own focal point

and I think the best one for this uncertain and undistinguished English team is the one that indicates team morale most clearly and has weakened most sadly since the good 1991 series against the West Indies: fielding. The Australian fielding on this tour has been noticeably good. The pivotal point of fielding is wick-

et-keeping, which can transform a



Such joy: Peter Such colebrates a wicket against Australia at Old Trafford. The off-spinner took six wickets for 67 in the first innings

Knott, England's magical "Mr Punch" of the 1970s, generates optimism. There is none of the slip/keeper con-fusion often caused by Stewart doing his best, but not the best available, behind the stumps. Spinners toss the ball up, hungry for snicks and stumpings. Bowlers such as Andrew Cad-

game hy plucking a wicket out of dick who strive to find an edge go nowhere. A brilliant keeper, like Alan from strength to strength. Fielders such as Chris Lewis risk their sizzling throws for run-outs and the fielding side recovers the spirit so vital to a

winning performance. It would be quite a feat to further weaken England's middle order. which is a grim decline from the days when a batsman such as Basil D'Ohv-

eira coming in at number six could swing a match. I do not believe a proper wicket-keeper would do England's unreliable five, six or seven positions any harm. Last time Australia were in England, Jack Russell was second in the English batting averages and has worked hard on his batting since then. He is cheerful. He would be an asset.

Tennis/John Barrett Mary Joe finally has it taped

in Paris Steffi Graf world ranking from Monica Seles. Regrettable as it may seem, hy beating Anke Huber 6-1 6-1 in the semi-finals of the 1993 French Open, Graf fulfilled the objective of her demented fan Gunther Parche who stabbed Seles in Hamburg on April 30. Graf is as upset by the ramifications of this as everyone else and did not want to discuss the matter. "I really don't care about the number one ranking. I'm in the final in France and that is what counts

to me," she said. This afternoon 23-year-old Graf will face a new challenger for the title she has held twice before. In the second of Thursday's semi-finals the 21-yearold American, Mary Joe Fernandez, seeded five, upset the form book for the second time this week by inflicting a 6-2 6-2 beating on Spain's No 2 seed, Arantxa Sanchez-Vicario.

Coming on top of her courageous comeback from 1-6 1-5 gainst the No 3 seed Gabriela Sabatini in the quarter-finals a marvellous match in which Fernandez saved five match points and eventually won on her fifth after three hours and 36 minutes of energy-sapping effort - this was a commend able victory for the 21-year-old Floridian. The Spaniard held a 6-1 lifetime lead against her, but you would never have guessed it. Sanchez was the one who was nervous - perhaps because she has been putting pressure on herself hy telling everyone what a great player she is. After failing to cope with the clever changes of pace from a thoughtful opponent, Arantxa's uppance had come with a vengeance. On the face of it today's

final, worth £337,500 to the winner, will result in another easy win for Graf who has won 11 Grand Slam singles titles, including a Grand Slam in 1988. In the 10 previous meetings between them Fernandez won only one set, But that was in the most recent of those matches just three weeks ago in Berlin. That afternoon at the Rot-Weiss Club Fernandez won a 10-game opening set and then led 4-2 in the second before losing it 6-4. She broke serve twice to build a 3-0 lead in the decider, too, before losing the last six games. Graf remembers that occa-

sion. "Yes, it was a really long, tough match. And against Sabatini here she was going a lot for the lines and doing it very well ... she really stepped into the ball. At the moment she shows a lot of confidence she's definitely improved in the last half year. The key this time will probably be my patience and to come in at the right moments."

Patience is an elusive quality on the slow, red clay. The temptation to go for winners too soon has destroyed many

fine players. But after two years of uncertainty Graf has looked admirably composed again here and, except for the odd patch of waywardness on her match-winning forehand, seems to be back to her best. After all, she has yet to lose a set and has dropped only 33 games in six matches, an average of 2.75 per set.

And yet...and yet... Even the hottest favourites sometimes lose - and I apologise to tbose of you who backed Tenhy on Wednesday for reopening so recent a wound.

Harold Solomon is one who thinks that it may happen this afternoon. But, then, you would expect him to because Harold has been coaching Mary Joe for the past year and a half. He has done a fine job too, belping her to build her physique with regular gym ses-sions and track work when she has not been competing. Moreover - and this amuses me no end - Harold, has been teach ing Mary Joe to volley.

arold was one of life's great baseline workhorses who could never have found the net even with a qualified guide and an armed guard. But he has improved that aspect of Mary Joe's game. Her unexpected volleying coups were partly responsible for her crushing victory over Sanchez. She smashed well, too, and even appeared to enjoy being in the forecourt You could never have accused her of that during the Australian Open in January. "I've seen a tremendous

change in her these two weeks," claims Harold. "When we started working together I told ber I thought it would take three years for her to overtake the top three and win a Grand Slam. I have just revised that view. I helieve she's ready now.

"Clay has never been her favourite surface but suddenly she is attacking on it. The match against Sabatini was responsible for that. She was so far out of it that the only thing left was to have a swing. She'e been banging that fore-

"We've watched that match several times on tape and it has transformed her belief. She has suddenly realised that she can beat any of the girls and that is what no-one can teach you. It has to come from within." How true. I hope that yesterday Harold had the sense to sit Fernandez down beside the TV set to watch the replay of her win against Sanchez-Vicario. That would have reinforced belief marvellously. I hope Steffi was also wise

enough to watch that tape to see just what she will be up against this afternoon. If she did she will know that only her best will be good enough. For the world No.1 that should be no problem. And yet . . .

IKE AN ageing enter-tainer in search of a new audience, Mercedes-Benz is chang-

ing its act. For at least 50 years, its cars have been a byword for quality. I would settle for one as my personal car in preference to any other - if only I could afford to. The company's solid conservatism is rooted in the best engineering practice. Mercedes shrug off very high mileages while continuing to perform like new cars. There is a strong "feel good" factor when you drive behind the threepointed star. At least, there is for me. Bernard Shaw hit the nail on the head when he said that youth was a wonderful thing and far too good to be wasted on young people, but let that pass. Car makers have to live in the real world.

While Mercedes-Benz is happy to have a large and loyal band of mature customers it knows it must attract younger buyers, not just their parents and employers.

The car it hopes will do the trick is the new C-Class, successor to the small - the term is relative - Mercedes-Benz 190 of which more than 2m have been sold in the last ten years. C-Class is a little longer than

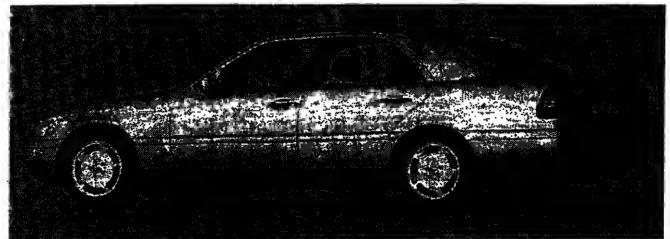
the 190, considerably roomier within and sleeker without. For at least two years it will be offered only as a 4-door saloon, though an educated guess suggests estate cars and 2-door coupes will follow by 1996.

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Motoring/Stuart Marshall Mercedes jazzes up its act



The C-Class Mercedes-Benz: a sleeker, roomier 190 replacement with more appeal to men and women still on their way up

There are seven four-valvesper-cylinder engines. Three of the petrol engines (1.8, 2.0 and 2.2-litre) and two diesels (2.0 and 2.1 litre) have four cylinders. There is a 25-litre, fivecylinder diesel and the flagship C-Class models have a 2.8-litre in-line six-cylinder petrol

Mercedes-Benz contemplated following the herd and giving its new compact car front wheel drive. But it decided the space-saving advantages were not great enough to justify this break with tradition. When, as seems probable, it launches a VW Golf-sized car later in the decade, this will be front-wheel

driven. There is nothing radical about the design of the C-Class; it is an extension of the philos ophy that has served Mercedes-Benz so well. True, the front suspension is new and the 16valve and 20-valve diesels are the first of their kind. The

important changes are marketing, not engineering, led. four-speed automatic.

The styling is smoother, more rounded and, except from the front, less typically Mercedes-Benz. In a bid to broaden the customer base, four distinct versions of every C-Class car are being offered; standard, Esprit, Elegance and Sport.

Standard models have plain understated interiors. I found the two-tone trim of some Esprit and Sport models rather hrash but Mercedes-Benz believes young buyers will approve. The smartest Elegance versions will appeal to owners of the larger 200-320 Mercedes-Benz (now to be called E-Class) wishing to trade down to a smaller car. Even the standard models come with a driver airbag, ABS brakes

and power steering. Last week, in the sweltering Swabian Alps, I sampled four of the new cars - a C 180 petrol and C 220 diesel with five speed

manual gears, a C 250 diesel and C 280 with the optional

The billiard-table roads were no test of the suspension's ability to make the rough feel smooth. But their sharp gradients and serpentine curves showed handling and roadholding to be even better than the 190's - particularly so in the case of the nose-heavy five-cylinder diesel and six-cylinder

petrol versions. The C 180 ran sweetly at 190 kmh (118 mph) on the autobahn, pulled hard in fifth gear from under 50 kmh (31 mph) and seemed to enjoy hard driving on switchback roads as much as I did. Lacking turbochargers, the

four-valve diesels felt urbane rather than urgent though they cruised at high speed on the autobahn as quietly and effortlessly as the petrol-engined cars. (I have to say that for sheer performance combined with refinement, the sixcylinder BMW 325td and 525td are ahead of the executiveclass diesel pack).

The C 280 automatic felt as secure as a majestic Mercedes-Benz S-Class when I drove it through a downpour on the autobahn. A ride in the back confirmed the C-Class really is more rear-passenger friendly than the 190.

When left-hand drive C-Class cars go on sale in two weeks, they will cost about the same as the 190s they replace. Right-hand drive prices will not be known until the British launch this autumn. Mercedes-Benz UK will be juggling with a strong D-mark in one hand and next year's list price-based company car tax bands in the

It knows that if the C-Class is to seduce younger drivers away from their BMWs and Audis, the prices cannot be too

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Blasts from the past in old Kazakhstan

Giles Whittell sneaks into the once-forbidden cosmodrome at Baikonur, and sees where the Soviets used to test their nuclear weapons

ERE WAS the corduroyed Moscow correspondent of a staid London newspaper in raptures about a Russian rocket blast-off. He looked more like an opera critic than a space nerd but he had seen Helen Sharman, the British cosmonaut, go up from 500 metres, which is a lot closer than they let you get at Cape Canaveral. The flame, billowing out over the Kazakh steppe, had been apocalyptic. The earth had trem-

So when my bus rolled into Alma Ata two days before a launch, I asked if I could go and watch. intourist wanted \$1,200, excluding travel to the cosmodrome 1,000 miles away, but could not guaran-tee permissioo from Kazakhstan's foreign ministry. Permission was duly refused and Mrs Intourist departed alone on a special flight to host a group of German advertising executives whose cigarette brand was plastered over the communicatioos satellite being burled into orbit for a fraction of what NASA

This left a day in which to introduce myself to the authorities. Baikonur, the cosmodrome, used to be highly secret and run exclusively from Star City, a bastion of the for-mer Soviet techno-élite in a forest near Moscow. Mission Control is still there, even further from the launch pad than Houston is from Florida. And the rockets are still built on very Russian soil at Samara, on the Volga, from where they are flown in bits to Kazakhstan in the world's biggest cargo planes. But Kazakhstan now controls the cosmodrome's territory, and the foreign ministry in Alma Ata occasionally admits foreigners if they book months ahead and pay

Casual visitors, on the other hand, get the run-around, I visited 11 different offices all over the city. The foreign ministry claimed to know oothing about Baikonur. A KGB man was polite but bewildered. Eventually, grudgingly, someone gave me a visa stamp for a place, not marked on any map,

This is a "closed" military city on the Syr Darya river where cosmodrome staff live. Baikonur ls 30 miles to the north (which, to flummox spies, is 300 miles south of the only Baikonur on the map). Both are four bours' drive across the steppe from the nearest public airport at Kizyl Orda. It felt perverse but definitely heroic to leave the lush foothills of the Tien Shan, rising from the edge of Alma Ata, in favour of one of the world's bleakest voids.

I took a taxi from Kizyl Orda to Leninsk for \$12 and tried to calm the increasingly twitchy driver as the giant parabolic antennae of the tracking station came into view. He had lived in Kizyl Orda all his life but had never been here before. He left me at the entrance to Leninsk, from where a guard took me to the cosmonauts' hotel. With a mosaic of Yuri Gagarin in the lobby and chrome models of rockets festooning the bar, this is the beight of Soviet chic. I entered to see Mrs fntourist's jaw, under ber Astra-khan bat, fall gratifyingly open. "However are you come here?" sbe asked, anxiously. f explained how. But dour men in raincoats were already homing in and talking cul-etly in Russian; "... bolshoi skandal . . . " said one.

I was making for the door when a hand fell on my shoulder and steered me to a large, green sofa. Was f of the "intelligentsia?" Raincoat was asking not about my position in the Marxist-Leninist class structure but wbether I was a spy an unnerving question eveo for the innocent. "No," f said. He seemed sceptical. My visa had been "a mistake." He summoned an army Jeep and told its driver to put me on the first train back to Alma Ata. Meanwhile, the German advertising executives had been issued with souvenir jump suits and were waiting smugly for a special bus to take them to the launch pad. It was very irksome. Fortunately, my train did not leave for eight hours so, once the Jeep had disappeared, I was able to set off on foot across the now benighted steppe towards the cosmodrome.

Parts of Kazakhstan look as serene and beautiful as any wilderness on Earth. But, environmentally, the country is a disaster area unrivalled even by the rest of the CIS. It shares with Uzbekistan the territory of the tragically shrunken Aral sea. It is fringed to the east by some of the world's dirtiest cities, producing mainly chemical fertilisers for the wheat fields of the Virgin Lands and heavy metals for atomic bombs and ammunition, in the oorth-east, an area the size of Ireland served until two years ago as one of the world's buslest

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British cosmonaut Helen Sharman prior to her blast-off at Balkonur in 1991. The next launch there is on July 1 . . . but casual visitors tend to get the run-around

nuclear test sites. And, in the middle, gigantic rocket boosters have been crashing to earth and bemusing the nomads ever since Laika the dog went into orbit in 1957.

Besides leaking unburned chemical fuel over the steppe, the rockets have been accused of torching the ozone layer and blowing away

much-needed rain clouds with the sbock wave that spreads out from the launch pad. Nowhere was Soviet gigantism so unfettered. Nowhere were the scientists and soldiers involved prouder of their achievements. Nowhere were the achievements so awesome.

cosmodrome had received a telephone call and were not surprised to see me. But instead of 'phoning Raincoat they invited me into their hut, produced vodka and said that next time I should call them direct. I would be their Latvian friend and they would escort me to a flameside seat, to the tracking station, to the rocket assembly site, up the gantry, down the flame pit, out into the desert where the boosters fell to

Everything was on its head, the duty officer continoed. Until a year ago, come within 100 miles of this place and they would lock you up before you could ask for a quote. Now, busioeds of school children watched every launch. My mistake had been to walk into the only place where appearances mattered any more and introduce myself to an assemblage of bored ex-KGB men hired to give a group of big-spending Germans an exclusive treat.

It was 7.57pm. "Shall we go ont-side?" he asked. It was bitterly cold. At 7.59, f was stamping my feet when he pointed and said "There." Tweoty miles away, the rocket had cleared the horizon already, followed by a taut, white flame. It rose fast, curving away from vertical after 10 seconds and jettisoning stage one in a yellow explosion half a minute later. "Already in space," said the officer. "Eight kilometres a second." After another two minutes we heard a long, angry roar. The hut behind us shook, rattling its windows. The soldiers looked at me proudly and I hope I was suitably

Another strange and desperately extravagant link with space having been accomplished, silence returned to the steppe and I returned to Alma Ata with the duty officer's number in my pocket. It is 010-7-33622-27280 and his name is Sergel. Or surrender your credit card to Intourist Alma Ata (010-7-3272-330076). Next launch: July 1 1993.

For potential tourists who find the idea of watching space rockets too trivial or Boys' Own, Kazakhstan is offering something altogether more grown-up. In 1949, 18,000 square kilometres of steppe in the oorth-east of the republic were given over to a nuclear physicist called Kurchatov. Since then, 465 atom bombs have been exploded there, half of them above ground, half below. When the test site ("polygon") was busy, it averaged

15 bangs a year and employed 5,000 hand-picked scientists and engineers. They lived in a town named after Kurchatov which, like Leninsk, is hard to find on the map. For nearly 40 years, the existence

of the test site was denied, even though the people of Semipalatinsk 100 miles away saw the mushroom clouds regularly and, since underground testing started in 1963, felt the earth shake. But these terrifying "natural" phenomena were never mentioned in the media and hardly ever, apparently, in private conversation. Then came glasnost and, in 1989, a Kazakh-American group called Nevada-Semipalatinsk which campaigned bravely and successfully for the polygon's closure. Testing stopped in October 1990 and there is now a permanent Nevada-Semipalatinsk exhibition in Alma Ata's central state museum.

Semipalatinsk is the remote river port to which Dostoyevsky exiled

eat trout from a lake created in 1963 by a nuclear explosion at the bottom of a 90-metre concrete shaft This is an arid zone, and the project was a joint venture with the Kazakh ministry of irrigation.

Having seen the polygon's health statistics prepared by Nevada-Semipalatinsk, as well as grotesquely malformed human foctuses in formaldehyde (which, they believe, ware victims of lethal radiation). I did not fancy the fishing trip. Having given such short notice, the colonel said ! wasn't getting it, anyway. I was allowed to see only the river irtysh, which flows past Kurchatov, and the officers' dachas along its banks.

My guide, Edil, a generally reluctant Kazakh among imported Russian technocrats, was relieved. He gave his sanitised commentary as we strolled among birch trees on the river bank. "People who worked here during the nuclear era had no bealth problems. They were edu-

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'Nowhere was Soviet gigantism so unfettered. Nowhere were the scientists and soldiers prouder of their achievements

Raskolnikov in Crime and Punishment. It was once picturesque, and there is still a poignant scattering of log cabins round the bazaar. But as you leave town on the Kurchatov road, the emptiness of the steppe feels sudden and total. The road runs south-west, dead straight, for 21/2 bours and is crossed only by an army barrier on the final approach to the polygon. "May peace prevail upon Earth," says a sign in four

languages.

Kurchatov is laid ont on a tidy grid and has been indulged in various places, including the army HQ, with fresh white stucco on pink paint. General Y.B. Konovalenko has been left under-employed by the closure of the polygon he used to run, but he sees a future in tourism. He was out when I called, but his deputy, a grumpy colonel with a Brezhnevesque hreastful of medals, outlined the plan: Kurchatov's hitherto secret army museum will open to visitors this year. So will the 1949 test site and, possibly, a mountainous area further south, Emmenthal'd by decades of underground testing (Emmenthal: pale yellow Swiss cheese with many holes). Visitors are also invited to catch and

cated people. When local people han bealth problems it was usually radio-phobia. "Radio-phobia?"

"Perhaps they feel their chair jump. They know there has been a test, so they are frightened and they get a beadache from their fear." "But there were dangerous radiation levels.

"Never above the safe ceiling." I produced a Geiger counter borrowed months before in Moscow for just this moment - and was disappointed. The count was lower than for suburban Alma Ata. Driving back to Semipalatinsk, into a spinetingling, blue-black dusk, Edil said it saddened blm that every foreigner who visited his home town came to see the polygon. Next time. I should visit the hirthplace of the great Kazakh writer Abai, or take a boat trip on the Irtysh, or walk in the Altai forests. I said I would.

■ To do any of these - visit the polygon, take a boat trip, visit Abai's birthplace, what have you - contact the Travel Bureau, Hotel Irtysh, Ulitsa Abai 97, Semipalatinsk, Kaz-akhstan (tel. Semipalatinsk 44-75-29

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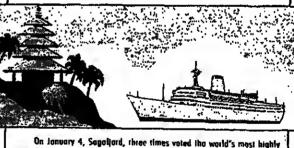
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No.1. No Wonder.

Anthony Curtis on a candid new biography of Sir Sacheverell

LTHOUGH the Sitwell trio were extremely close in childhood, and remained on terms of endearment even when they quarrelled as adults, Sir Sacheverell - he inherited the baronetcy after Osbert's death in 1969 - always suffered from a sense of being upstaged as a writer by his older brother and sister. sister. Therefore, it is somewhat ironic that this biography of Sacheverell, based on family papers not hitherto available, should appear on the same day as a re-issue of the Collected Poems of his sister

The last edition of Sacheverell's Collected Poems was in 1936. Does anyone read any of his poems (he wrote a great many) now? When Philip Larkin came to compile The Oxford Book of Twentieth Century Verse in 1973, he included four poems of Edith's, and one of Osbert's, but none by Sacheverell.

Sachie was still at Eton when all three Sitwells sprang to notoriety as poets. This was in Wheels, an anthology edited by Edith in 1916 and designed as a counter-attack on Marsh's Georgian Poetry; Sachie's contribution was a 20-line poem in free

During a spell in the army, and an abor-tive Oxford career at Balliol after the war, he continued to publish poetry in subsequent editions of Wheels and brought out a slim volume of verse of his own, The People's Palace, which was praised by T.S.

Sachie and Osbert were then sharing a London flat in Chelsea and were part of a post-war arty set that included Harold Acton, Brian Howard, Siegfried Sassoon, Gerald Berners, Cecil Beaton, Stephen Tennant, Anthony Powell, Raymond Mor-timer, Peter Quennell, Arthur Waley and, from a different background, William Walton, whom the Sitwells adopted,

It was Edith's poem-sequence "Facade" that brought this phase to its climax. Sachie suggested it be set to music by Walton and the first private performance, with the poems spoken through megaphones, was given in the brothers' flat on January 24 1922.

A vociferous anti-Sitwell backlash from various quarters - notably those of Noel Coward, Geoffrey Grigson and F.R. Leavis

N 1979, Deng Xiaoping remarked that "the world did

nothing" when Wei Jingsbeng, having demanded democracy in China, was sentenced to 15 years

imprisonment. A decade later, inter-

national opinion was again but to

the test as the tanks rolled into

Belling in June 1989 and thousands

were killed, imprisoned and exe-

cuted. The intellectuals who

"To win the minds of the people,"

they argued, "the government must

Wang Juntao.

reform.

- greeted their antics. It was said the Sitwells' activities belonged to the history not of poetry but of publicity and it was perfectly true that, by their striking appearance and love of battle, they kept modern poetry in the public eye well into

There was, however, a rift within the symbiotic pattern of the trio's stormy relations, both among themselves and with their parents, Lady Ida and the formidable Sir George, that gives this biography its rather sad fascination. Bradford presents us with all the relevant facts about what resembled a large, ugly fissure in an other-wise exquisitely homogeneous marble statue. Her book amplifies greatly the account given by Victoria Glendinning in

SACHEVERELL SITWELL: SPLENDOURS AND MISERIES by Sarah Bradford Sinclair-Stevenson £20, 486 pages

> **EDITH SITWELL:** COLLECTED POEMS Sinclair-Stevenson £25, 444 pages

her life of Edith and that of John Pearson in Façades, an extended gloss on Osbert's magisterial volumes of autobiography, Left Hand, Right Hand. Pearson dealt with the trauma Sachie suffered at Eton during his mother's trial and imprisonment for financial crime. In Sachie's long life, during which he would publish volumes of belleslettres, connoisseurship and travel writing, there were many more traumas to come.

Being the younger son, he was two sets of heartbeats away from not merely the title but, more pertinently, the family's Trust money, Sir George ("Cinger") squandered large sums and was cheated by his financial advisers of lots more. Although extravagant personally, he was always extremely tight-fisted when requested to disburse any funds to his offspring. This fiscal constraint occurred again - as far as Sachie was concerned - when Osbert took over. Bradford, an historian by training with previous biographies of Cesare Borgia and Disraeli under her belt - keeps us well informed of all the intricate Sitwel-lian financial wheeling and dealing.

Sachie's emotional investments were just as complicated and far-reaching. The great one was Georgia Doble, a Canadian beauty from Montreal whom he married in Paris in 1925. "Ginger" did open the purse strings for once and bought Weston Hall, Northamptonshire, for the comple; they lived there for the rest of their lives, inter-

rupted by frequent forays abroad.
But Georgia was never accepted truly by the family, especially not by Osbert, and the fissure began to widen. In spite of Georgia's many love affairs after marriage, all enumerated dutifully by Bradford, and Sachie's similarly intense extra-curricular passions, the marriage lasted until her death in 1980; the couple remained devoted

to each other, more or less.

None of the the trio ever really got over childhood. Memories of golden summer days at Renishaw inspired all three Sitwells to put nostalgic pen to paper, as in Edith's celebrated poem, "Colonel Fantock." She wrote: "Dagobert, Peregrine and I were children then..."

Peregrine's - Sachie's - most cherished childhood memory of the colonel in that poem (or rather as he was in real life, Major A.B. Brockwell, their tutor) was set down in his autobiographical fantasy All Summer in a Day.

Just as memorable to him were the pierrots that used to perform regularly on the sands at Scarborough, then in its heyday as a spa. When grown-up, Sachie became a great authority on Pierrot and the characters of the Italian comedy from which that character derives. Sachle adopted two of them as his and Georgia's private emblems. He wrote beautiful passages on those Harlequin and Columbine figures in porcelain fashioned by such craftsmen as Kändler and Bustelli.

These drawing-room objects were described in minute detail with the same infectious lightly-worn erudition he deployed to re-create the towering splendours of Spanish and German baroque in his best-known books. To his dozens of devoted friends, Sachie would seem to have exuded both the pathos and the charm of Harlequin.

For Sitwell fans, and for historians of the morals of the great and the good, this hook is essential reading. Others may



Blood-stained trail to Tiananmen

Four years after the massacre, Susan Whitfield looks at the continuing battle for democracy in China

first win the minds of we intellectuals." Democracy was not part of their plans: "the people are at too

Tiananmen Square and to the gov-

received the longest sentences, 13 years each, were Chen Ziming and After the massacre in 1989, they were convenient scapegoats for a As students in 1979, they had government concerned to blame the stood alongside Wei Jingsheng at Democracy Wall. They condemned events on the machinations of a few black hands." Unlike others, they his sentence but did not agree with had not managed to escape followhis demands, calling instead for ing the massacre - and they were veteran dissidents. But George reform within the Communist party. Later, as a self-professed Black and Robin Munro in their elite, they formed a think-tank informative book show that, in spite of Chen and Wang's own sense of which proffered advice throughout importance, they were peripheral Deng Xiaoping's decade of economic both to the students' occupation of

Workers, largely shunned by the students who refused them access to the square proper, played a vital role. After tha massacre they received the barshest treatment and, while most students have now been released, numerous workers are still trapped within the vast Chinese gulag and prison system. Perhaps this is because - like Wei Jingsheng in 1979 - they have consistently had the clearer vision

Students, the future generation of leaders, have largely followed Wang and Chen in calling for reform rather than the end of the party dictatorship. Black Hands also fol-

about the lack of legitimacy of their

BLACK HANDS OF BELING by George Black and Robin Munro John Wiley £15.95, 400 pages

QUELLING THE PEOPLE by Timothy Brook Oxford £17,95, 265 pages

lows Han Dongfang, a worker charged with "counter-revolutionary incitement" hut released last

year and now in the US. Unfortunately, the suthors fail in their attempt to set up Chen and Wang as China's Sakharovs and

figures on the periphery of the story who arouse the most interest. Moreover, the book prompts many unasked questions. Why, in spite of their keen sense of history, did few of the intellectuals remember Wei Jingsheng? Why did they believe that Deng - "the needle wrapped in cotton wool" - would not resort to violence? Maybe the students were like "the newborn calf who does not fear the tiger," but the older intel-lectuals' continued faith in Deng

Han as a Lech Walesa: it is the

needs exploring. In Quelling The People, Timothy Brook argues that China's leaders intended to use force from an early

stage in the demonstrations should

intimidation fail. Brook follows the deployment of troops from mid-May before the declaration of martial law, the first abortive attempt to move soldiers into Beijing, and the massacre of June 3 and 4 when the army encountered resistance on its second attempt.

This is an admirably well-researched book, based mainly on interviews and suitably wary about the evidence - "no one lies like an eye-witness." It is also timely: Brook observes that unremitting propaganda has forced some in China to accept the government's version of events, notably the low casualty figures and the argument

that the soldiers were provoked.

T IS unfortunate that this chief counsel for war crimes.

its scherents in the West. The media aided this propaganda unwit-tingly by concentrating on the students and on Tiananmen Square. It is uncertain whether any students were killed in the square itself on June 4. There is no doubt however, as Brook shows, that more than 1,000 people - and probably nearer 3,000 - were killed by the army on the approaches to the square.

Dismayingly, this view also has

Several years after the events, there are still gaps in our knowledge. Claims in a recent book that the shooting was ordered without the knowledge of Deng, or that the CIA masterminded the escape route, are not addressed in these works.

The courage and commitment of Chen Ziming, Wang Juntao and the many others now spending their fourth year in prison is not in doubt. Whether they have the charisma to concentrate the chameleon sympathies of the west on the plight of China is less certain.

ANAN Makiva's principal contention is as he savs. very simple: "The politics of keeping silent over escalating cruelties inside the Arab world, cruelties inflicted for the most part by one Arab on another, is principally responsible for an Arab moral collapse which has today reached epidemic proportions. The silence which he so con-

demns is that of his fellow Arah intellectuals - men, he argues, who were flushed out from under their protective stones by Saddam Hussein's invasion of Kuwait and forced to show themselves. "The whole apparatus of evasion and hiding behind sophisticated veils was laid bare," he declares.

Born in Baghdad but educated in the US, Makiya writes from the moral high ground. His earlier book, produced protectively under the name of

NY SHORTLIST of

Araby under fire

Samir al-Khalil, revealed some-thing of the nature of Saddam's regime hut was little noticed until the invasion of

What the hook did reveal

ernment's response.

was, he says, ignored almost totally by those Arab writers who sought to locate Iraq's aggression in the wider pan-Arab context and in terms of the West's continued manipulation of the Middle East for its own imperial and economic interests. Their attempts to transfer the blame for Sad-dam's actions onto the West and the Arab-Israel dispute enraged Makiya. "Their relentless wallowing in illusion filled me with anger."

The reality - first-hand accounts of the brutality of the Ba'athist regime in Baghdad,

particularly towards the Kurds in 1988 and subsequently to the first half of the latest book. Much of the remainder is devoted to denunciations of

CRUELTY AND SILENCE: WAR, TYRANNY, UPRISING AND THE ARAB WORLD by Kanan Makiya Jonathan Cape £18.99, 240 pages

individual Arab writers, many living in the West, who are accused of moral bankruptcy and failing through their silence to aid the Arabs who are "trapped inside the oppres-

East." The suthor's anger is focused so finely, his primary targets defined so narrowly, that the wider issues raised by the book risk being obscured by personal antagonisms. Governments, almost cer-

tainly, bear much greater responsibility. No western foreign ministry was unware of how Saddam Hussein maintained his grip on Iraq. The atrocities committed before the invasion of Kuwait were known, if not their full horror. But in the interests of maintaining a bulwark against the Islamic revolution in Iran and selling into a profitable market, it was convenient politically to overlook them. The same considerations apply today, and not just in the Mid-

Perhaps there has been a glaring, collective failure of the Arab intelligentsia as Makiya asserts. But, if so, it is just one element in a much greater international failure. There is no better example than Burma. The people there actually voted massively for democracy, but the regime which denied them so viciously is being allowed to inch its way back into the international commu-

It is a sobering lesson for those Arab populations of the Middle East who, in their desperation, are being tempted to see radical Islamic factions as an alternative to politically bankrupt leaderships. Switching the full beam of the Arab intellectual spotlight on those regimes would help - but only if there are more powerful people who wish to see what is

Life's dark mystery

sive countries of the Middle

the world's best popular science writers must include John Gribbin. His gift lies not just in aloguent and lucid presentation of complicated ideas, but in writing about them as if they were adventures. From the first page of one of his tours of the universe the reader is gripped. He does not disguise the sometimes bizarre character of scientific theory; rather, he relishes it. And he passes on his enthusiasm to his readers.

But Gribbin is not just an explainer, he is also an hypothesiser, More than 20 years ago, in an editorial in the science i journal Nature, he made a suggestion which then seemed wildly speculative but which has gained plausihility. It is that our universe occupies what astrophysicists call a "black hole." Now he has elaborated this idea, suggesting that our universe is a living

& Fole!

antity, born from other universes and itself the progenitor of more. His book gives the background science needed to explain and support this idea.

According to present theory, the Big Bang happened about 15bn years ago. Ever since then, the universe has been expanding. Everywhere one looks in the sky, galaxies are flying away; the further off they are, the faster they are

Among the puzzles of the Big Bang is this: how, if the universe has expanded smoothly from its initial fireball, did stars and galaxies form? Inspection of the Big Bang's left-over traces of radiation in space suggested at first that all matter in the universe should be spread out evenly. Yet, the universe is "lumpy"; visibls matter has aggregated into stars and galaxies, with what seem like vast tracts of space between. How did this happen? The answer, devised within the past decade, is that visible matter (the stars and galaxies) represents only 1 per cent of

the true mass of the universe; IN THE BEGINNING by John Gribbin Viking £16.99, 274 pages

of cosmology.

One prediction by "dark mat-

the rest consists of what physicists call "dark matter." This mysterious stuff was not detected by experiment but is demanded by the mathematics

ter" theorists was that there

universe's faint background radiation left over by the Big Bang. In April 1992, Cosmic Background Explorer, a satellite launched to look for traces of the Big Bang, detected these ripples. They explain not just the lumpiness of visible matter, but also its very existence. To the COBE discoveries, Gribbin adds ideas from biol-

ogy. Using the idea that life is a complex process of self-replication, evolution, and interaction, he suggests that just as Earth can be considered a single living system (the "Gaia" idea), so can a galaxy and even the universe itself. Gribhin suggests that our

own universe might have been born from a black hole in a different, earlier universe. Theories about what happened in should be irregularities in the the first split seconds after the

Roger Matthews Big Bang allow that an entire universe can appear from nothing, a "quantum fluctuation" in the vacuum can be, as physicists describe it, "the ultimate free lunch." Similarly, the "singularity" of a black hole can generate a new "baby universe," possibly different from its progenitor and thus evolv-

ing beyond it. Perhaps, Gribbin

speculates, a universe containing life, like our own, had to evolve from many other more primitive forebears. These speculations are exotic and sound fanciful; that, though, is characteristic of the frontiers of science. I think Gribbin stretches the concept of life in directions it does not go happily and makes too much of some guesses in science. But, in the process of advancing his intriguing speccombined British and French ulations, he recounts a great legal teams and more than deal of up-to-date science very twice the number of Soviet

readably indeed.

Judging the judges

book did not appear eartier. Telford Taylor, a whose Munich (1979) remains the most exhaustive treatment of that fateful conference, was a member of tha American prosecuting team at the Nuremburg trials in 1945-6. Repetition has dulled the

mpact of the revelations which shocked the Nuremburg judges, who viewed the first showing of the concentration camp films. But such moments of high drama were rare. The actual proceedings were tedious and repetitive, and Taylor's judicions and measured approach to his subject further deadens whatever sense of drama might be derived from an insider's view of what was, after all, an extraordinary occasion. For Nuremburg broke new legal grounds, and the precedents set in trying "crimes against peace" and "crimes against humanity" were dahated fiercely during the Vietnam war and are pertinent to the

slavia. Taylor is at his best when discussing the background to the trials, and the in-fighting and personal vendettas among the Allied representatives. Nuremburg was very much an American show. It was they who wanted the trial. The British, recalling the fiasco of the post-first world war trials, favoured summary execution of a selected list of Nazi war criminals. Twenty-three American lawvers addressed the trihunal, more than twice the

conflicts in Kuwait and Yugo-

jurists. Supreme Court justice Rob-Anthony Grayling | ert Jackson, the American

was instrumental in setting the terms of the indictment and primarily responsible for making the charge of conspiracy to plan and wage aggressive war the centre of his case. In this rather hostile portrait, only Jackson's passionate and eloquent statement, the uniqua and necessary reminder of the moral dimensions of the trials, compensated for the justice's administrative incapacities and poor showing as his country's chief prosecutor. Jackson's hungled cross-examination of tha unrepentent Goering allowed the court's most important defendant ample

THE ANATOMY OF THE NUREMBURG TRIALS by Telford Taylor Picador £25, 703 pages

opportunity to outwit his inter-

Taylor has thought hard about what was done and accomplished at Nuremburg but is cautious in his judgments. Ha has reservations about the way the defendants were selected and, in some instances, sentenced. With most of the major surviving Nazi leaders in their countrymen's hands, neither Sir Hartlev Shawcross nor Jackson paid sufficient attention to their better-informed advisers

as to who should stand trial. Taylor underlines the gap hetween the western and Soviet conceptions of justice, yet admits it probably had only a limited effect on the verdicts. It was somewhat ironic that it should have been Soviet prose cutors who, along with the French, concentrated on "crimes against humanity" and insisted on including the

Katyn massacres in the indictment as a German war crime. It was left to the Soviets to present the evidence of the Nazi persecution of the Jews and the mass executions in the French prosecutor made only s passing reference to the Jewish guestion while the Americans and British concentrated exclusively on crimes against the

Although troubled by the ex post facto nature of this latter category of charges, the grounds for convicting 12 of the 24 defendants, Taylor argues that Nuremburg has established the criminality of initiating aggressive wars and has provided the legal basis for present and future national and international action. One wishes that this general question had been explored more fully. The Nuremburg trials were, above, all, trials of the defeated by the victors, some of whom were not entirely guiltless of war crimes in the Nuremburg sense.

One can understand why the Allies should have wanted to bring the Nazi criminals to justice. It is harder to establish how far these trials actually advanced international law. Many historians and legal theorists have judged what was done at Nuremburg in far harsher terms than suggested here. It is surely not without significance that, in spite of repeated violations of the Nuremburg principlas since 1946, no similar new international tribunal has been created. Readers deserve a more persuasive conclusion than

Zara Steiner

■ MORE BOOKS PAGE XVII

Looking for the good life beyond Chianti-shire

Italy has many attractions for the second home-buyer. But, says Haig Simonian, the head must still rule the heart

EATS, Byron and Shelley have a lot to answer for. So do Goethe, Gregorovius and an army of German. French and Swiss writers, travellers and poets who elevated the cultural pilgrimage to Italy into a model for enlightenment.

Their writings opened the gates to a flood of foreigners, for whom Italy represents all that is best in culture, architecture, food or just sun and society.

While many pass through, some prefer to linger, strengthening their bonds by buying a piece of Italy they can call their own. Whether just for bolidays or more permanently for retirement, Italy's language, climate and lifestyle have created a community of expatriates from Trondheim to Torquay, Sydney to San Francisco.

But owning a second home is often a case of the heart ruling the head. While the concept may be unquestionable, practicalities and execution can leave much to be desired. For an unlucky few, a dream can turn into a nightmare.

Take the Zurich businessman so entranced by the Chianti region between Florence and Sienna that he decided to run his company partly from there. One beautifully converted farmhouse, swimming pool and manicured garden later. the property is for sale. Even an autostrada-eating sports car and the sort of serious money that does not worry about leaving a house unoccupied have not compensated for a basic misjudgment.

So the first lesson must be do you really want to huy, or might it be better to rent? The financial arguments for buying have declined as prices in popular areas around Sienna or the walled city of Lucca have soared, making ownership prohibitive for many.

That is certainly the case in Chianti-shire, an area of rolling hills, vineyards and olive trees renamed Many who bought delapidated farmhouses for a song during the rural depopulation of the 1960s and early 1970s have made a killing.

Buying today is much pricier. Among properties currently on the market are beautifully-restored farmhouses, in grounds and with pools, such as Monticello (on offer from the UK-based Italian Property Portfolio for just under £900,000) or Casalvento (on sale via Lucca-based Villaman for £650,000).

While that represents an astronomical leap from 20 years ago, the market has flattened, if not fallen, under recession in the 1990s. Even in Chianti-shire, where the stock of property is severely limited by prohibitive planning laws and Italian buyers are taking up some slack, there is now a relatively large choice of property against uncom-monly weak demand.

hose with more modest budgets must scale down or look further afield. Small terraced town houses, without gardens, can be had even in Chianti or around Lucca almost as expensive - for as little as £50,000. Bigger places can be found for about donbie that, provided the buyer is prepared to stump up for restoration, which Michael Goodall, an expatriate Brit based in San Gimignano, calculates at about L1.5m (£650) per square metre more. Rising prices in Tuscany led to an

upsurge of interest in Umbria in the late 1980s, the region lying southeast and known for attractive towns such as Perugia and Assisi, Umbrian prices soared as buyers expanded their horizons. But here too, the market is now flat at best. while the relative cheapness compared with Tuscany must be measured against greater distances from northern Europe and less convenient airports.

Although the British have tended

for its large expatriate community. to concentrate on Tuscany and Umbria, they are by no means the only parts of Italy that appeal to

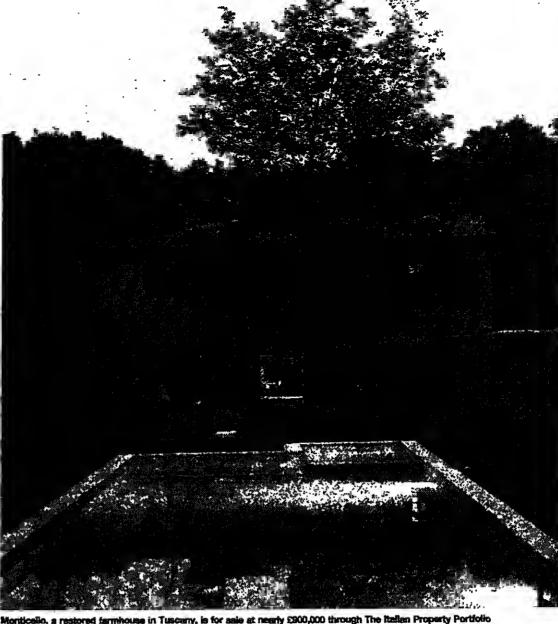
> The northern lakes such as Como and Maggiore are coming out of the doldrums. Living on the lakes or the slopes above has always attracted the Germans and Swiss: Frankfurt to Como is five hours by car, making even long weekends possible. After being spurned as "old-fashioned" 10 years ago, lake-side property has regained popular-ity among the Italians.

> But whatever the effect of local blips in the market, buyers should not be motivated by making money from a second home. Asking prices are relatively high; the market is mature; and the days of sharp spec-

> ulative gains are probably over.
>
> The rationale should be different. Sava Sandy Christle, a British information technology executive now working in Milan, who bought a house near Lucca in the early 1970s: "I'd saved money after working two years in Iran. The question was, should I buy an R-type Jaguar or something else. I didn't really know what I was doing and I spent what I thought I could afford to lose.

The "something else" was a farmhouse in four hectares, transformed over the years into an attractive holiday home with pool. Christia has no regrets about his invest-ment. "With the benefit of hindsight, we've probably been over-charged right down the line. It's all been highly unprofessional, but it's

Having decided to go ahead, how do you start? For those, such as the British, used to a relatively standardised property market based on relatively transparent rules, clear fee structures and marketing conscious intermediaries, matters will come as a shock. There are no big estate agents, and, for property outside the cities, the "agent" is likely to be a one-man band with a limited



range in a restricted area.

Such fragmentation means vendors seldom give agents sole instructions. That can save time when it comes to looking, as one agent may know about much of the property available locally. But it can also lead to confusion - and risk - once a choice has been made. as others may be negotiating for the same house through different intermediaries.

While many agents, notably some of the established expatriates, are knowledgeable and reliable, some locally-based foreign buyers who have the language avoid agents

altogether. That eliminates commission, which differs locally but can reach 3 per cent from both sides. Do-it-yourselfers in Lombardy begin with Secondamano, a five-

days-a-week listings paper, advertis-ing various goods for sale. Other regions have differently-named equivalents. More specialised and up-market

publications worth consulting are Done, a glossy travel monthly and Casa Bella, a decorating and interiors publication. Some British agents operating ont of Italy advertise in the Sunday Times, the Financial Times or the International Herald Tribune. Brian A French & Associates, a London-based estate agency specialising in Italy, even publishes

Belle Cose, its own magazine. Having time on one's side helps. Paul and Luann Erickson, an expa-triate American couple based in Milan, decided to escape the city's pollution and lack of public spaces when their first child was born. "After ruling out the Riviera on cost grounds, we decided to look at the lakes." Going through Secondamano led them to a hamlet above Lake Como, where they bought a semi-detached three-storey house

four years ago.

The legal side of property pur-chasing can be a minefield, with conflicting ground plans and land claims stretching back years. A concise guide is: find a local surveyor (geometra) or lawyer to make the necessary searches and take the trouble to do things properly from the start to avoid difficulties when it comes to selling. Legal fees and taxes will add 10 to 15 per cent to the purchase price. The declared contract price sometimes bears in tie relation to the actual purchase price, as money often passes under the counter.

nce the formalities are over, what do people do with their homes when they are not there? The risks of burglary or accidental damage should not be exaggerated, but are real nonetheless. "Wa recommend installing an alarm, ideally linked to the local police station, says Bill Thomson, whose Chianti Estates Management Company renovates and supervises properties as well as selling them.

In many cases, buyers will ease the burden of vacant property - and possible mortgage costs - by rent ing for part of the year. For the British, rentals tend to be done either privately through adverts in magazines such as The Lady, news-papers such as The Guardian, or through UK-based specialists. Many of the Italy-based expairi-

ates doubling as estate agents also offer supervisory and rental services. A familiar voice at the end of a phone can be reassuring for distant owners, even if some of them tend to abuse the relationship. "Sometimes, you get called from people at a dinner party on a portable phone who just want to show off to their friends," says one Tuscanybased Brit.

Supervision charges differ sharply. Lucca-based Masterman has an hourly fee structure; or alternatively negotiates longer-term arrangements. Thomson, based in Gaiole in Chianti, also prefers to: agree a yearly contract covering regular visits and crisis-manage-

Contacts: UK: The Italian Property Portfolio, 0263-861108; Brian A French, 071-284-0114. Italy: Villaman, 0583-406366; Chianti Estates Manage-ment, fax 0577-731121; Michael Goodall. 0577-941703.

Correction

IN THE issue of May 22, it was wrongly stated that three properties, one near Scunthorpe and the others near Grantham, were being sold hy Jas Brown. The agent is Jas Martin.

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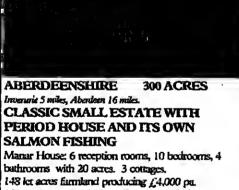
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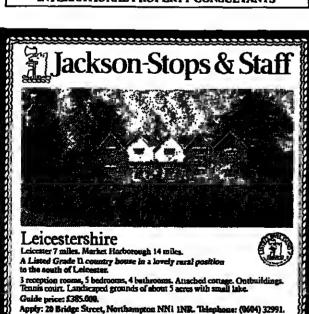
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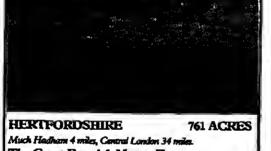
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NOUGH of the mil-

lionaires: what do

keen gardeners find they have gained

from the Chelsea flower show

apart from sore feet? Every

year, I use it to build my

yearly collection of catalogues

from nurseries. I have never

ordered a plant on the spot but

I have noted, questioned and

admired. I have tried to avoid

most of the statuary and the

This year, my enthusiasms began with passion flowers and

ended with polystyrene rock.

Between the passion and the

plastic, there was enough to

Tha passion flowers were

symptomatic of a new develop-

ment and Chelsea's most use-

ful effect. Inside the tent, the

holders of the National Collec-

tion staged the finest exhibit of

this family ever seen in Britain

(these national collections are

the new life blood of Chelsea

and allow us to raise our sights

by seeing so much more in

families where most of us

know only two or three forms).

derplank at Lampley Road,

Kingston Seymour, Avon BS21

6X5. His glasshouses will

receive visitors from Mondays

to Saturdays and his mailing

lists of passion flowers range

from £5-10 a plant, including

To my amazement, he lists

more than 140 varieties, rang-

ing from white to scarlet; even

so, he is missing more than

half the known passion flowers

There are no hardy sur-

prises, but the half-hardy

forms deserve close attention

from owners of stylish conser-

vatories or frost-free gardens

abroad. Passion flowers will

sometimes make big tangles of

leaves or bear flowers in pre-

posterous shapes and colours.

but there are varieties which Chelsea has propelled high on

my list for half-hardy cultiva-

This particular National Col-

lection began in 1985 and is

maintained by funds from the

nursery's sales. The collections

are the idea of the conserva-

tion movement and now num-

ber more than 500 throughout

Their holders have this

increasing ability to change

our ideas about possible

choices in well-known families,

and the Royal Horticultural

Society is right to give them

exhibiting space, in the past

three years, my knowledge of

in the world.

The credit goes to John Van-

keep me gardening all year.

outdoor gardens.

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Aylesbury, Buckinghamshire, in mid-spring. Its new white Ann Gregg is a wonderful foil for the dark shades of Balmoral, proving that new peas

GARDENING



The Brackleys in their nursery at Wingrave near Aylesbury, Buckinghamshire, which is noted for the excellence

Chelsea, where small is beautiful

From passion flowers to plastic rocks and beyond. Robin Lane Fox sums up the lessons of the show

anything from Japanese anemones to mahonias has been deepened by such collections

At Cheisea, I was pleased to pass from the passion flowers to the erodiums, those charming relations of the wild geraniums. They are superb plants for carpets or edgings in dry, stony soils and I have been enjoying their long-flowering season for more than 30 years. Suddenly, they are becoming fashionable, although their names and hardiness are still chaotic in the trade.

The National Collection belongs to a Dr Addyman but the exhibit at Chelsea was staged by R.V. Roger of Pickering in North Yorkshire, a fine nursery which houses the doctor's stock and knows what a cold winter means.

The other great gain at recent Chelseas has been the staging and colour sense of the imagine why Hopleys was denied a gold medal in its anniversary year (although I was surprised to hear comments from the jury that Hopleys' arrangement of colour was not above criticism). It showed a spectacular pink form of Ces-

For outdoors, it also had the dark Astrantia Hadspen Blood which has flowers of such a rich, red colour; but its master stroke was a perfect plant of the yellow-flowered wild paeony from the Caucasus, the flowers of which drop within days of opening.

a conservatory.

Among other smaller nurs-eries, I left with my first-ever list from the Bluebell at Blackfordby, Swadlincote, Derbyshire, which is particularly strong on good shrubs and trees, it shows and sells the

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smaller nurseries. I cannot variegated sweet chestnut for only £18.95 and also lists a new garrya with wine-cloured catkins (£9.95) and the pterostyrax (£12.95), which is one of my particular favourites among easy trees with scented flow-

Without the impetus of Chel-sea, these small suppliers would go unnoticed. Like the trum elegans which would excel even a passion flower in collections, the specialist exhibitors help to raise our standards.

For years, I muddled on with ordinary sweet peas and the conventional lupins which we can all grow from a seed packet. I owe to Chelsea my awareness that the ordinary varieties are no longer good enough and that the best are in a different class.

The best sweet peas come from the celebrated Brackley family, from which I buy young plants directly off the nursery at Wingrave, near can still be sweet and scented. The judges agreed on the usual gold medal, as they also agreed over the Woodfield brothers' lupins. Here, too, their breeding has changed my

notion of the family. Their varieties are hest bought as young plants from the nursery just south of Stratford-on-Avon and, if you keep off tha greenfly, these new hybrids light up an entire border, out-classing the weary old

Russell forms. Perhaps you would rather have a cave or cliff of monu-mental rock. I have coveted one secretly for years, hollowed into a grotto and available with an optional hermit. The trouble is that transport and siting of huge rocks is beyond all but the most extravagent pockets, although their boldness could do wonders for gardens in rock-free towns.

This year, a new age of rock has dawned on me. "It is better than real - it is super-real." says its inventor, Rockscapes, of Mill Lane, Godalming, Sur-rey (tel. 0583-426 550). The new trick involves a backing of light polystyrene faced with a special concrete mix.

Colours and roughness can he varied artfully to match huge pseudo-builders to a sur-rounding wall or nearby house. The sham rock is much lighter to handle and lob into position: it lasts well and will not scratch or splinter, aven when waterfalls or plants are added

At Chelsea, the techniqua was used to simulate one of the vast historic gardens of rock laid out by the Pulham family. Elsewbere, Rockscapes has contrived the effect of "largescale picturesque" for an imaginative garden owner in Hampstead, north London.

The total cost for a romantic landscape of rocky sublimity at the bottom of the garden would probably not exceed £2,000, but it would allow a natural fantasy which would transform the limits of urban

It is a brilliant con, perpe-trated in the spirit of nature. And as soon as I can think of a sufficiently awesome fragment of alpine scenery, I will thanks to Chelsea - roll the new rock into place and surpass the greatest rock gardeners of the past.

Fruitful inspiration for border browsers

HAT DO you expect from a gardening book? Inspiration? Practical advice and a faultless index? The widest possible selection of plants?

Obviously, the answer must vary depending on the sort of gardener you are. But I suspect that no gardener ever actually reads a gardening hook, at least to begin with. Browsing is what It is about, whether to dream away the long winter evenings or decide which runner bean to plant in tha spring. Whether the problem is what to put into terracotta pots or how to design a new water gar-den, a single book will rarely

Considerations of this sort, at least, must move publishers. Why else, in a single spring, would you find several more volumes on gardening in con-tainers to add to those already on the market? Maybe container gardening has become more fashionable but this spring also sees a number of new or reprinted books on gardening in the shade and in dry or damp soils, subjects which have been with us for a very long while.

The most ambitious of these new reference books bears the imprint of the Royal Horticultural Society. Four titles open what tha publishers, Conran Octopus, bill as a "new library...combining expert advice, inspirational photographs and practical informa-tion... for the new and experienced gardener." Slimmish volumes of about 130 pages each, the four books cover shady, flower, glasshouse and container gardening, written respectively by Jane Taylor, Helen Dillon, John Watkins and Thomasina Tarling. Each costs £15,99. Twelve books are promised altogether, with cot-tage, alpine and landscape garlening expected next year.

The format of these new volames is easy to follow with good pictures and coloured drawings, a good index and in each a succinct list of "key plants" and key points to note for each of the seasons. Do not expect particularly good writing or necessarily happy editing. (One chapter is headed 'Containers for Situations"). But the series should prove a useful addition to any library

Plants For Dry Gardens, by Jane Taylor (Francis Lincoln, £18.99) nicely complements her volume in the RHS series. Jane Taylor appears again in a different series with a volume on Climbers and Wallplants for Year Round Colour, alongside Peter McHoy's Containers and Baskets (Ward Lock £14.99). I find these volumes less well produced and more pedestrian than the RHS series but not so poor as the (admittedly, at £4.99, much cheaper) Letts Guide To Garden Design. These

Bridget Bloom on the latest in reading for gardeners

hardback volumes (covering containers again as well as Walls and Screens, The Small Garden and The Herb and Kitchen Garden) are quite glossily produced. But for me they commit the unforgiveable crime of failing to identify gardens singled out for praise: each one of the four volumes carries a - different - photograph of Sybil Spencer's herb garden at York Gate, near Leeds in Yorkshire, without once identifying it.

From publisher J M Dent comes the classic Perennial Garden Plants by Graham Stuart Thomas, first published in 1976 and Alan Mitcbell's Gardeners Book of Trees - the latter not for newcomers since there are very few photographs. Roy Lancaster's Trees For Your Garden might be better there, though more expensive at £16.99 (publisher Aidan

For my money however, it is still very hard to beat Hillier's Manual of Trees and Shrubs -

both the longer and the "pic-ture" version, which started life as a nurseryman's cata-

And so on to more elaborate reference books. One splendid and lavishly illustrated volume to appear this spring is Headline's Illustrated Encyclopaedic of Roses, edited by Mary Moody with Peter Harkness as consul tant and rather competitively priced at £19.99. This shows however why gardeners so frequently need several volumes on a chosen subject.

My "bible" for roses is again nurseryman's catalogue: and I happen to know that David Austin's is the correct listing of Blush Noisette, for he and not the encyclopedia mentions one of that climbing rose's chief asset, its wonderful clove like scent. There are several other examples where the two diverge, not to the new book's

And so to a couple of books which purport to be rather more complete gardening guides in that both aim to take the gardener through design, planning and planting of a range of different gardens, from cottage to classic, and kitchen to container.

Initially, I was not sure what to make of Nigel Colborne's Short Cuts To Great Gardens, (Conran Octopus £16.99). Like the "crusty professionals" he quotes, after only ten years of strictly amateur gardening I tend to believe also that there are no real short cuts. But never mind. The idea that there might be is a challenge in itself and as befits a well-known television gardener and RHS show judge, his advice is sensible and easy to follow. This would certainly be a book to have if you were starting from scratch.

However, I am less keen on the rather pretentiously named Garden Source Book (£25 from Mitchell Beazley) which I find less imaginative (and considerahly less tasteful) than another "bible" of mine, John Brooke's infinitely adaptable The Small Garden, originally published by Cavendish House in 1977.

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the Dutch and Flemish Old

Masters at Noortman; and a St

lves show at the Montpelier

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opening of the new St Ives

Museum on the beach at the

After some very quiet

months Sotheby's moves up a

gear in June with some attrac-

tive auctions. Among the Vic-

torian paintings on Tuesday

there are four interpretations

of the awakening of physical

love by Sir Edward Burne

Jones which could reach

£900,000, plus a Rosetti beauty.

estimated at around £500,000. A

large painting of a bear fight in

the Coliseum which took Alma

Tadema two years to paint has

a top estimate of £1.2m.

Another large Alma Tadema

recently made a record \$2m

(£1.2m) in New York so this

seems a reasonable forecast.

On Friday 1,200 Japanese prints of the Kabuki theatre

collected by the late Professor

Kunhe abould clear £650,000,

but the really big money will

be splashed out on June 22 at

the major summer Impression-

ist auction when the most

important oil by Honoré Daum-

ier to appear on the market in

Friday. It cost the enormous

sum of £4,000 in 1888 but by

1935 its value had slumped to

460 guineas. Todays market

Another June highlight at

Christle's includes the first

book printed in English. "The

Recuvell of the Histories of

Troy", which Caxton printed in

Bruges in 1476 and which is

forecast at around £500,000, but

the really important Items are

reserved for July 6 when a

Michelangelo drawing of the

Holy Family oo the Flight to

However, there is a substan-

tial fly, not to say spider, in this agreeable ointment. On

Monday the new chancellor

Kenneth Clarke joins his fel-

low finance ministers in Brus-

sels to sign some important

documents. One imposes for

the first time VAT of around per cent on imports of antiques into the UK from non-EC sources. In itself it does not

seem too damaging. But the trade and the auction houses

are well aware that once a tax

is levied it will probably be

increased, and could quickly sound the death knell of

London's eminence as an art

The auction houses and the

ers, and the open market which has been the making of London, and the UK, will be no

The trade is united in urging

Clarke to stand his ground and

to persuade the rest of Europe to follow the good old British practice of free trade. A good

result here is worth any num-

per of sales at Olympia or

centre.

Egypt should make £3m.

estimate is up to £900,000.

hristie'a also has an

important Alma-Tad-

ema, "Roses of Helio-

gabalus", for sale on

years might make £2m.

"La Ghirlandata", a drawing

Cornish resort.

Fair time for buyers

Antony Thorncroft previews an exciting season for collectors

UNE IS the month when, fleetingly. London reclaims its old position as the centre of the internatiooai art market.

The important general antiques fairs - the splendiferous Grosvenor House (starting on Wednesday) and the frenzied Olympia (already under way); the specialist fairs, like those devoted to ceramics (Park Lane Hotel from next Friday) and antiquarian books (same site from June 23); the special exhibitions at the big galleries, and the attempt by the auction houses to put on mouthwatering sales, combine to lure the foreign as well as the domestic collector to the capital. The fact that Wimbledon, the Derby, and Ascot also clog the calendar helps. For the very rich, if it's June it must be Loodon.

For many antique dealers their very future depends upon sales this month. Like the economy as a whole the revival in business has been tentative, with few signs of an entrenched recovery. The renewed interest in art and antiques by some British buyers (and, perhaps more vitally, sellers) has to be set against concern for the future finances of those Italian. Spanish and German dealers whose buying trips to the UK have become so crucial in the last few years.

A still convalescent market ensures that prices this summer are below or at a rough level with those prevailing a year ago, and most dealers, their optimism by now severely tested, will be pre-pared to bargain down. They are still being bounded by their bank managers. The litany of the past year continues: this is an excellent time to buy - if you can find decent goods.

For many dealers this is the key sales month. Some of the 370-odd exhibitors currently cramming Olympia expect to achieve half their annual turnover during the 11 days.

This Fair, the largest in the land, bas been criticised for its overwhelming size: It is exhausting just to look at the two jam-packed levels, with an elite gold section upstairs while at ground level the silver section dealers, now extended to embrace "antiques" made before 1940 (up until 1960 for jewellery), fight for the wallet of the casual collector with £100 (or up to £50,000) to spend.

To make things easier for the anticipated 35,000 plus visitors ESP (Data) is introducing a search system which allows time-pressed collectors to antique. If you are only interested in Staffordshire figures the computer should pinpoint

the stands you need visit. in the good years dealers from Grosvenor House would rusb down to Olympia for antiques to re-stock their depleted stands. Not any more. Even though there is a special bus service to transport you from one to the other the gap between the two fairs seems to



Portrait of a Lady, oil on curves by Govaert Flinck (Dutch School, 1615-1660), to be shown by Rafael Valls at Grosvenor House

be increasing.

Olympia embraces every conceivable type of antique and is for the affluent general collec-tor and foreign dealer: Grosvenor House maintains a blas towards furniture and is for the seriously rich. A atand bere can cost £40,000 and there are always a few £1m-plus objects on offer. The 90 exhibitors represent the best that the British trade, and increasingly a few privileged foreign dealers, has to offer. Sales are naturally important but for many exhibitors meeting old clients and new contacts and negotiating later back at the shop are just as vital.

It should be an exceptionally good show. The crisis at Lloyd's has forced some Names to dispose of antiques to meet their liabilities and they have preferred to off-load discreetly through dealers rather than face the glare of the salerooms.

gnews usually has an expensive plcture on display and this year it is Constable's "The Wheatfield", a rediscovery which is priced at 86m. Another £1m-plus painting is on offer at the stand of New York dealer Otto Nauman, Jan Steen's "Tha Proposal". Richard Green is always a strong exhibitor at fairs and has a still life of flowers by Jan Brueghel the Elder locate particular types of and a Henri Lebasque of

women washing in the Seine. Among the furniture dealers Norman Adams is showing a pair of George IV writing tables supplied by the Royal cabinet makers Banting, France, to furnish Ickworth around 1825, while Mallett has a pair of Chippendale period mahogany bombé commodes. Anyone whose taste has

moved on into the 19th century will find rarities at the stand of

Country Seat, including a Gothic octagonal library table

made by Gillow after a design

by Pugin. This year Grosvenor House is attempting to portray itself as a shopping place for the common man and although prices may still seem steep the quality shines forth.

The Ceramics and Antiquarian Book Fairs mainly appeal to connoisseurs, who are reappearing now that investors have burned their fingers and prices are falling back to more reasonable levels. The Ceramles Fair in particular ia enhanced by the learned lectures which transform it from a market place into a scholarly forum.

Undonbtedly the recession has bolstered the position of the dealers. Of course they have seen their turnover and profits fall but they have the great virtue of discretion. The well-publicised failure of major items to sell at auction, and the glare of publicity that such transactions involve, has sent many vendors back to dealers.

This is especially true in fields such as Old Master paintings where dealers anyway account for 90 per cent of the buyers in the saleroom. Why not try and deal direct with the main protagonists?

This is currently obvious on the walls of Agnews in Bond Street where the 176th Summer Exhibition offers Old Masters and British pictures of comparable if not higher quality to anything available at Sothe-by's and Christie's. There is a major Rubens of the Holy Family with Saint John, an important Turner view of Walton Bridge, and a charming Gainsborough portrait. All are priced well into the millions but all have attracted buying interest,

main dealers will move their especially from museums The important dealer shows business to low-taxed Geneva. or New York, or the Far East. The paperwork and the hassle will deter both buyers and sell-

Eskenazi unveils the latest in a long line of spectacular and scholarly Oriental art exhibitions to celebrate the gallery's move from a first floor in London's Piccadilly to a fivestorey "Flemish Renaissance" townhouse off Bond Street, at the new Oriental Art Gallery; the old Eskenazi in new prem-No. 10 Clifford Street. The ises; and the exhibition at the acquisition and refurbishment Christie's acquired Spinks are of the building cost in excess of mentioned elsewhere, but 25m and is an expression of confidence all the more striother current London highking given that Eskenazi has lights are the Matisse aquatints, etchings and linocuts at no English clients.

The old premises in Porglove House afforded no storage space, no room for parallel exhibitions and inadequate wall space for the extensive library. The restored 1897 facade of Clifford Street belies an imaginative, purpose-built interior of some 12,000 sq ft. There are two gallery floors, divided froot and back to offer up to four independent exhibition spaces. Moveable, freestanding showcases provide maximum flexibility.

A pool of natural light is brought to the heart of a once gloomy, narrow building by a oew atrium. Natural materials have been chosen throughout: blond sycamore, French limestone, glass. The effect is cool, airy and meditative.

For the new gallery, Giuseppe Eskenazi envisions more exhibitions (there have already been 36 in the last decade) including loan shows, and symposia or anything which might interest academics".

For him, the new building is also "my way of showing my commitment to London", When he left Milan to open a London office of the family firm of Oriental art dealers in 1960, London was the undisputed capital of the art world. Thirty years on, and thanks to the arguably short-sighted policies of the anction houses which now move objects around the world to offer them in their primary markets, it has become just one important centre as Hong Kong and New York have come to rival it in the Oriental art market. But Eskenazi believes London still retains the trump card of unrivalled expertise - in its museums, universities and art trade.

Michael Leonard

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Jewels from the East

Significantly, Oriental art is one of the few markets in which the auction houses have failed to wrest the biggest business from the hands of a small group of top international dealers. Eskenazi may have no English clients, but it claims the third highest turnover of any London dealers. In 1991-92 that was some £18.5m, a huge

sum in Oriental terms. Eskenazi's inaugural show is "Early Chinese Art from Tombs and Temples" (June 8-July 9). Some 48 works of art. from a Shang bronze of the 12th-11th century BC to a Song or Jin wood Bodhisattva of the 12th-13th century AD, have been selected to represent the

Susan Moore welcomes an upcoming feast of Oriental art

breadth and quality of the gallery's holdings. Collectors with deep pockets will be delighted to find that a number of prize rarities have been extracted from the company collection. "We are selling things we had no intention of parting with", saya Eskenazi.

Notable among the highlights is an unusually large and superbly modelled recumbent bronze ox of the Eastern Zhou period (4th-3rd century BC), inlaid with scrolls of silver. A partial inscription states that it belonged to the state treasury of an unknown king. From the Tang dynasty comes a sumptuous silver reliquary, a vigorous glazed earthenware horse biting its knee and an imposing amphora, 68cm high, streaked with a sancai glaze of cream, green and chestnut. Most examples are half its size. "Japanese Netsuke from the

Carré Collection" also goes on show, June 15-July 9. The 243 pieces reflect the collector's particular fascination with the folklore of Japan, a subject Illustrated so effectively by the netsuke craftsmen.

Another inaugural show also features a single-owner collection. Swiss dealer Patrick Syz. formerly of Sarzi-Amade in Bond Street, opens as a private der at No. 94 Eaton Place, London SW1 (tel: 071-235-4572) with an admirable if highly specialist show. He presents 92 of the finest examples of Japanese sword fittings, or tsuba, from the collection of the American Henry D. Rosin, June 10-25. "It is said to be probably the finest, small, concise collection ontside Japan. Syz says modestly. Prices £500

to 960,000.

Barry Davies Oriental Art (1 Davies Street, London W1) presents no less than three shows this month, June 12-25. Inro - One Hundred Selected Masterpieces" drawa from a number of well-known collections. Its star turn is a "truly spectacular" unrecorded inro (a small, decorative container worn from the belt) by Shibata Zeshin, probably the greatest 19th century Japanese lacquer artist. This unusual piece takes the form of a wicker basket in polished black lacquer which contains three fitted gold lacquer boxes.

A second show introduces the contemporary Japanese lacquer artist, Unryuan, whose Togidashi work of different col-

oured rubbed lacquers is bailed as fine as anything produced in the 18th century. At £4,000 to 260,000, it is certainly as expensive. Complementing his work is a small display by the English contemporary netsake carver, Guy Shaw.

More netsuke are to be found at Sydney L. Moss (51 Brook Street, London W1). "Zodiac Beasts and Distant Cousins which shows June 9-July 2 focuses around a group of 12 wood animals by the Gifu/Nagoya masters. Tomakazu and

A far wider selection of Oriental and South East Asian wares - including bronze, ivory, lacquer, cloisonné, pottery and porcelain, glass, seapstone and textiles - is to be found at The Oriental Art Gallery's summer bonanza, 4 Davies Street, from June 8. Most notable is a group of Ming and Qing Imperial lac-

Spink's Far Eastern show. 5-7 King Street, London SW1, until June 18, for the first time includes a significant group of Korean ceramics - far more rare than their Chinese and Japanese counterparts. Outstanding among the exhibits is an 18th century Choson Dynasty blue and white porcelain brush pot sparely decorated with a continuous landscape under a full moon. Prices £1.500 to £200,000.

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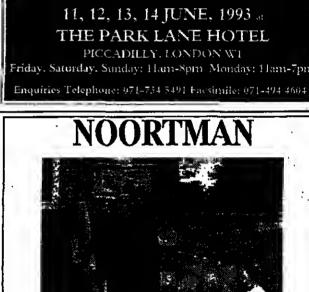
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Christie's, meanwhile, exhibits 118 pieces from the collection of Chinese ceramics amassed by the Hong Kong dealer Robert Chang (until June 15). This is a gloriously old-fashioned collection of flashy, brilliantly coloured and finely potted wares which reflect the re-emergence of taste for late Qing Imperial porcelains in the Hong Kong of the 1970s and 1980s.





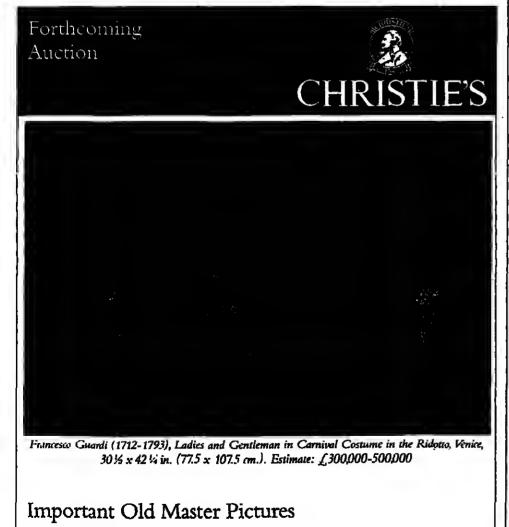
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Assistance of

Last week I had hunch, privately, at the FT, and sparkled. A highly complimentary piece followed on the Saturday - one of the most attractive (Hullo!) as well as one of the cleverest of Mrs Thatcher's Ministers'.

I remember it well. Most of my colleagues had never met a Tory like Alan Clark before: iconoclastic, but seemingly on the traditional right wing of the party. The subsequent deci-sion to make him "Man in the News" in the Saturday paper was taken at short notice. A call was put in to the Ministry of Defence who said he was somewhere in Scotland hnt promised to try to find him. Clark rang in from an expensive address (I think It was Gleneagles) and asked if we could call him back because, we would understand, he was quite a poor man.

Other profiles followed in other papers, including the fashionable accolade of an interview in Murxism Today. For Clark was then at the height of his political powers: as minister for defence (procurement), he was assembling a fundamental defence review for Mrs Thatcher ("never let her hear that term", said even sympathatic officials). He would have liked to have been

OT MANY points of contact between

this trio of novels -

one cool and con-

trolled, another exploding with

energy and invention, the third

merely going through the motions. The High Flyer offers

the elegant craftsmanship, even if it is finally an unsatis-

fying novel, a story of the dip-lomatic life which sometimes

exudes a Graham Greene-like

detail of a late Renaissance Ica-

rus in freefall - provides the

perfect resonance; Shake-

speare's high flyer is a career

diplomat, Thomas Wavery,

seemingly bound for ambassa

dorial success until he is over-

whelmed by the gravitational

pull of an extra-marital affair.

The expected posting to the

Lisbon embassy fails to materi-

alise, his marriage disinte-

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melancholy.

Life and times of an unusual Tory

Malcolm Rutherford on Alan Clark's diaries

defence secretary himself, but this was the next best thing. Nothing much came of the review. It was stymied by the defence ministry and the real secretary of state, Tom King. Shortly afterwards Mrs Thatcher, whom Clark adored, ceased to be prime minister. and that in effect was the end

of his political career. The really interesting ques tions are why he went into pol-itics at all and why, when he did, he shunted round at auch a relatively low level. Clark had most of the attributes admired by Jane Ansten: wealth, intelligence, looks. Yet, despite sometimes appearing arrogant, he seems ultimately

to have lacked self-confidence. These Diaries provide only part of an answer. For a lot of the time, he seems much like any other polltician: anxious promotion, interested in who'a in, who's out, and retailing second-hand gossip. The

THE HIGH FLYER

by Nicholas

Shakespeare

Harvill £14.99, 382 pages

POMPEY

by Jonathan Meades

Jonathan Cape £14.99, 472 pages

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by Alan Sillitoe

Harper Collins £14.99, 263 pages

grates and Wavery finds him-

self dispatched as consul to the

Spanish enclave of Abyla on

the North African coast, there

to serve out his time in over-seeing the completion of a road

tunnel across the Gibraltar

As Wavery is gradually

absorbed into life in the col-

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DIARIES by Alan Clark Weidenfeld & Nicolson £20, 421 pages

entry for 5 Juna, 1983 reads: "A new Conservative Government. Will I be in it?" On another day he meets a fairly junior MP, whom he does not like, on a train and picks up the gossip from him. There is very little here that gives the inside story of affairs of state.

Again, to anyone who knows Clark, however remotely, there is not much new about the man. The sexual indiscretions perhaps, for which he makes no apologies, but these are merely distasteful: for example, the reference to "the golden summer of 1955 when l was running Anne, Marye and Liz, all of them living within half a mile of each other". There is always a vulgar side

Three studies in contrast

to his fall from grace are revealed; vignettes of local life

are counterpointed sharply

against the finally hopeless

But Shakespeare's carefully

plotted narrative really lacks

the energy to make these par-

allel tracks converge; in the

end the beautifully textured

patchwork of images of life in this disconnected fragment of

Europe merely provides a col-

ourful wrapping to what devel-ops into a terminal tragedy for

Energy is one quality cer-tainly not lacking in Jonathan

Meades' sprawling baroque

novel, which parades erudi-

tion, obsession and pure pruri-

ence on an all too generous

Wavery.

le of his love for Catherine.

to Clark to set off the civilised. It is the same with money. Half the time he boasts about being rich. How awful to be worried about one's pension!" he says about Patrick Jenkin, who was sacked from the cabi-net. The other half he complains about being poor: too

taining - "it's so expensive, with good claret at £100 - minimum - per bottle". And yet there is an endearing side to him. He loves ani-mals and only the forceful intervention of Mrs Thatcher prevented him from pushing a bill obliging traders to label furs and skins from beasts that had been caught in leg-hold traps. He weeps when he kills a heron to protect the fish but the contradiction again confesses that he would have

poor to have servants and

scarcely up to the cost of enter-

had no remorse about killing a human intruder. Some of his judgments are

of his exploits and the fruits of

his loins are spread across four post-war decades and countless

At the centre of this litany of

decay and degradation is the

city of the title; Pompey, Ports-

month, is the central metaphor

of attraction for its excursions,

irresistibly draws all the char-

acters to their fates, disposes of

its victims. One admires the

virtuosity, the creative nerve that has enabled Meades boldly

to go where few writers would

dare. There are many laughs.

and not much to love, save

maybe the fondness for verbal

arcana - what, one wonders

without a dictionary, is a "spe-

laean" navel? - and the verve

of someone prepared to present

this baleful vision of the con-

temporary world exactly as he

registers it.

but not much love in the book

vividly portrayed settings.

conventional. He admired David Owen as well as Mrs Thatcher. He shared the distaste of the grey set for letting Michael Heseltine become party leader. On the other hand, he could not stand his near namesake, "that podgy life-insurance-risk". Kenneth Clarke and preferred the old rough Labour Party style to the new men in suits.

Like most politicians, he believed he had a better feel for the "politics" of a subject than anyone elsa. He also admits to devotion to the "beloved, magical electric aura" of the Chamber of the House of Commons. At one stage, he considered leaving junior office and arguing for Toryism d l'outrance (his French is good, as he often says), but (convention returns)
"bang would go the K". With
more self-confidence, he might have done it. Enoch Powell did

He contemplates his great work to come: "Tories and the Nation Stata 1922-74". At a meeting at the London School he was talking about the sub ject when my colleague Samuel Brittan asked, "What is the nation state?"

'If you don't know what The Nation State is." said Clark "you're decadent." Clark is quite decadent himself, but he should write the book. Malcolm Rutherford

different way, is precisely what

Alan Sillitoe continues to do.

The England he mapped out

more than 30 years ago in his

first massively successful fic-tions continues to provide his raw material, though the terri-

tory has sometimes become

gentrified in the process. The

latest transect is provided by a

country house hotel which col-

lects a motley assortment of

flaky humanity stranded for the night by a blizzard. In thor-

oughly melodramatic fashion

the enforced encounters pro-

vide an assortment of cath-

arses, none of them very credi-

ble. Sillitoe sets up the

clockwork, and just lets it

unwind; the reader quickly

ceases to care who does what

to whom, and the author gives

no indication that he cares

that the boy to whom she was

briefly engaged committed sui-

cide when she ignored his

letters. The guilt leads to a paralysing confusion about who is the victim and who the

aggressor. She stays with her violent husband, she says, for

Her anxiety about attracting

men is also unexpected, and

they are by far the most promi-

nent characters in the book.

But where the women are described in enormous physi-

cal detail - sprigged blouses,

fruity perfumes, long legs, olive skins - the men are more

alusive. Her husband is a "brooding presence" and abe

gives a fragmented picture of

her father, alternately domi-

She clearly links her claus-

trophobia in these relation-ships to her later feminism,

and shows more self-knowl-

edge in doing so than Ger-

maine Greer did in her book about her search for her father.

But the book's strength and

honesty is that it gives a per-sonal not a social explanation

of her route to independence.

Clearly, the women's move-

ment has changed some things

that constrained her. Rnbber

girdles have gone, and women no longer need a male guaran-tor to rent a flat (her father

refused to give his signature

because she had left her hus-

band). But the psychological

insight she is pursuing has

neering and teasing.



Credible rendering of cruelty

Alastair Macaulay examines the updated Shylock

THE VILLAINY you teach me l will execute." David Calder, the RSC's outstanding Shylock in David Thacker's new modern-dress Merchant of Venice, makes this a key line. Yes, he is a Jew, but he only fully enacts "Jewishness" - donning a skullcap, using florid gestures, enouncing words in the mask of the face, forsaking his elegant city suit for a dour traditional gaberdine - when the Christians have insulted him, beguiled him and, finally, stolen his daughter Jessica. Yes, he becomes cruel, but only because he has been made so by persistent and unthinking Christian cruelty. He has been taught by masters.

voice a heroic high baritone, Calder dominates the play. For him. Thacker has even reinstated the post-Shakespearean scene in which Shylock returns home to find Jessica gone: as Irving used to, and as Verdi's Rigoletto does. Even in the courtroom scene, a sob escapes this Shylock as he recalls his daughter - but then he recol-lects himself and, in full view. his face becomes marble once

fear that he would kill himself, in spite of the growing fear that he would kill her. There are snags in so reasonable and updated a reading of Shylock – the only obvious reason that Jessica might have for leaving such a father is Only Peter Hall's 1989 staging

that she prefers partying to in my experience has caught loud rock music to staying at home with his piano-quartet CDs - bnt it is astonishing how potently most of the play supports this noble reading.

Thacker's Venice, as designed by Shelagh Keegan, is a colourless high-tech city-scape, Salerio, Solanio & Co. are crass city slickers; Bassanio calls Graziano on his mobile 'phone; Antonio is a white-haired older gent; Launcelot Gobbo (with V-neck sweater and coffee mug) is Shylock's office boy. These people's anti-Semitism is not gross. It is simply casual, unthinking, shallow prejudice, and all the more credible. Most features of the updating work with remarkable success, and Christopher Luscombe's mimsy, prattling Launcelot is a

comic triumph. The Belmont scenes are artificial. Penny Downie's Portia receives her suitors in a "period" full-length gown (and in mourning), and Nerissa's dress is mock-18th century. Only later do these two fully enter the modern world. Thacker catches the lovers' comedy of the final act neatly, and Keegan's designs lend it colour. They do not, however, stop it from being the usual charming anti-climax.

this scene's darker emotional pains, its moving belief in the power of music, and its Renais harmony. When Thacker's Lorenzo (Mark Lewis Jones) talks of "The man that hath no music in himself," be unfortunately indicts Jessica, himself most of their chums and Gary Yershon's electronic muzak.

Downie, who five years ago fought a battle royal against Calder as Queen Margaret to his York in The Plantagenets, is here outclassed. She has Portia's breeding, her romance, and (interesting contrast) her stillness and her impulsiveness. Yet these elements do not trayal. She etcbes no lines into memory, and her pianissiml are inaudible. Owen Teale's Bassanio is virile, ardent, personable, and yet he is too busy with a display of youthful excitability. I could not believe in any sexual chemistry between them, or between the other two couples. But these quibbles are petty against the revealing audacity of Thacker's production, which makes us see Shylock and Venice with new eyes.

fn repertory at the Royal Shakespeare Theatre, Strat-

Rolf Harris aside, the other

autinodean connection is the

show's finance from the people

canvas. Pompey's central character - hero is certainly not the mot juste - is one Guy Val-Andrew Clements lender, and the interlaced tales Which, in his own ntterly Eaten up by emotions

the first, startling instalment of Jill Tweedie's autobiography, written years after she established a reputation as one of Britain's leading feminists. She suggests that the catalyst for writing it, though, is not the rise of "post feminism" but the death of her father, which left her, to her astonishment, emotionally adrift at the age of

The events of the books are remarkable in themselves. Born in Cairo – and convinced for years the hospital had handed the wrong baby to her parents - she grew up deter-mined to be different from them. Her father was an authoritarian Scot, and her wistful and reproving mother had exchanged an exotic Turk-

...influential

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ish upbringing for a respect-able and loveless Home Counties marriage. Early escape meant choosing a Swiss finish-ing school instead of university, and then sudden marriage the first of three - to a bullying Hungarian count.

But the title points to the deeper theme of the book: the way parents and children feed off each other, and the way this early relationship distorts later ones. Terrified as a child that she will be "sucked in, eaten up" by her parents "and would emerge as somebody else entirely", she later finds herself in "suffocating panic" at coping with her first baby's demands. When he dies – in an unexplained cot death - she felt that she was "the witch who killed children and ate

in spite of - or perhaps because of - her sensitivity to those undercurrents, she was blind to the real risks of the relationships; she dreamt her husband was a vampire, but failed to foresee that he might run off with their two children. They were returned to her only after years of court cases.

One of the book's surprises – given what you might expect from a 1970s feminist – is her guilt about hurting men. The book opens with her fear that she may have triggered her

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duced the odd fruit but at far too high a price. Now, with any luck, the real thing had been dug in and the roots would hold". But those are small points, and simply raise the interest in her next

tures on self-help.

Bronwen Maddox in the plot. It has been written as if the Renaissance was not

Leonardo falls flat

MUSICAL about happening. The plot fails to Leonardo da Vinci excite on its own terms. Leon-(1452-1519) promises painting hy numbers, but threatens to put the great draftsman in the singing and daubing Rolf Harris mould. Now at the Strand Theatre, "Leonardo The Musical: a Portrait of Love" has arrived, lamentably reworked from its opening at the Old Fire Station in Oxford last November. This musical is less exciting than watching Leonardo's paint dry - the show lacks passion, the songs want

The story fixes on the relationship between Leonardo and the Milanese Francesco Melzi, "a very handsome boy according to Giorgio Vasari the art historian. When the Florentine Francesco del Gioof his wife, Mona Lisa, Leonardo falls in love and fathers her child. Lisa marries Giocondo in haste, Leonardo repents at leisure, and Melzi pines like a lost courtier in the blue distance of a Renaissance fresco. This amounts to "The Patron, the Wife, her Painter

idea gone astray. The ultimate Renaissance man, all the unfinished work in Florence and Milan, "that" painting with her smile. But a glance at the period shows a fine opportunity squandered. Leonardo was a contemporary of Il Perugino in Umbria, of Raphael and Michelangelo at Rome, Bramante in Milan, of Andrea del Sarto and Bartolommeo in Florence, and of the Bellini family in Venice. He met Machiavelli at Cesare Borgia's court in 1502. Not one appears

ardo's love of Lisa and his love of painting sit uneasily together. He did actually have music playing while she posed sometime between 1500 and 1504. But neither songs nor action dramatise the creative process or the relations between the principals. The lyrics beggar belief: "She's a flower on the tree, the very heart and soul of me", Leon-ardo sings. The dialogue is a close second; "My late 'usband, Gawd rest 'is soul' chirps a cockney Landlady.

of the guano and phosphate rich Sonth Pacific Island of Nauru. Only the United Arab Emirates has a higher per capita income, and the island's 8,000 inhabitants are celebrating 25 years of independence. Now there is an interesting musical waiting within their own eight square miles, a tale of Australian exploitation sphate fortunes, and coral island romance.

Andrew St. George

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subtlety and the issnes beg credibility.

won less support in Britain than the 1970s gave grounds to expect. Nor, despite the flurry of interest around the recent failed royal marriages, are there many writers who acknowledge so clearly how parents shape their children. That perceptiveness makes the book much more than a historical record. There are irritations: she almost flaunts and his Friend." her past lack of control, and "Leonardo" is a wonderful

the tone is sometimes reminiscent of "before and after" fea-Her final casting-off of her parents legacy is also uncon-vincing: "For far too long, I had raised and nourished a hybrid persona which had pro-

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Few acts of outrage at Summer Exhibition

Patricia Morison reviews some of this year's 1,800 exhibits

THE ARTIST bites back in the catalogue to this year's Royal Academy Summer Exhibition. According to Tom Phillips RA, it is only the critics - languid, and blinkered as they are - who fail to perceive the "defiant outrageousness" of the Summer Exhibition. The people, on the other hand, flock to Burlington House to "assert their democratic right to know what is going on in

the visual arts". This year, the People's Show in Londoo's Piccadilly exhibits 1,800 works, slightly more than before. It is the last Summer Exhibition under the presidency of Sir Roger de Grey, who retires this autumn. Pace Phillips, the show is an enjoyable one although, as ever, so much work and so varied is likely to give anyone a touch of the wilts - not just a critic.
in a year of blood-letting and

stuffed fish, it is something to be grateful for that individual acts of outrage are absent from the RA. Once again, a hotchpotch of international grandees is found in the first two galleries: a wall of six glaring Hockneys, also Kiefer, Liechtensteln, Jasper Johns. Eduardo Chillida, and so on. To my mind, the Summer Exhibitioo would be none the worse if it reverted to its old pattern and did without the grandees. A corner of repose amid the peculiar jumble is created by "A Crucifixion" and The Example - With Acknowledgements" hy Robert Medley, next to Ken Howard's "Musé d'Orsay" and his magical view

of the Tuileries Gardens. Retrospective groups of eight Academicians who have died in the past year contribute a particular quality to this year's hang. Many visitors will realise Blake has filled his gallery with real sadness that Peter Greenham, Richard Eurich and Sir Robin Phillipson appear for the last tima. Two examples of Phillipson's genius for the small, colourful pastel drawing should not be missed in the watercolour gallery.

John Bratby and Elizabeth Frink dominate Gallery III. Together with John Bellany. they are the most commanding presences in the exhibition. The Korn/Ferry Award for the Picture of the Year was awarded to Bellany's "Sunset Song", a group portrait of his family hung in the Central Hall. The RA's other big prize, the Charles Wollaston Award, was given to Paolozzi for the

with small pictures crammed frame-to-frame, many of them by naive artists. It is an exercise in sheer egotism and wretched for exhibitors thus press-ganged into a Blake creation. In the Small South Room, the cramming of small pictures is equally bad hut is at least hallowed by tradition. Among the works to hold my eye was "Towards the Sea", a very small, atmospheric landscapa hy Nikki Danks, also Charles Hardaker's keyhole

views of the Underground.
Anne Gardener's "Face
Pack" and "The Convalescent" hy Mark Shields stand out from a number of halefully staring self-portraits. One of

People flock to assert their right to know what is going on in visual arts

bronze "Road to the Isles". Gallery X, mainly sculpture, is a mess and not improved by a fearsome blue tondo by Gillian Ayres. But then sculpture rarely shown to advantage at the Summer Exhibition. Look out for Allen Jones's lit-tle fragment of a female torso which does indeed, as the title suggests, cry out for a caress. I could see the point of Peter Randall Page's "Where the Bee Sucks", hought for the Tate under the Chantrey Bequest. It is best described as an enormous sheep's dropping carved in stone. William Pye's watersculpture, "Plateau", is a fascinating piece. In a bronze vessel, a broad rim of still water presents a surface like black lacquer contrasting with limpid stream coursing at the foot. For the second year, Peter

the best things in the show is Stephen Goddard's portrait of an old woman, painterly, poignant, and immensely skillful.

In contrast, one notices how few large, commissioned por-traits there are compared with a decade ago. The small self-portrait and the "Portrait of a Waiting Woman" by Tai-Shan Schierenberg are admirable. As last year, I am affected by the vulnerability of James Rushton's watercolour heads.

The print selection is terrific. Rothenstein's small screenprint, "Japanese Kite", crack-les with the same exuberance as his larger ones. In a year short on the erotic, there is a ripe "Semele" by Tom Phillips. Norman Ackroyd's "Scottish Glen" has a transcendental beauty - what a wonderfully gifted artist Ackroyd is, able so

perfectly to capture the spirit of very different places. Look, too, for John Howard's stark "Disused Viaduct", Sean Harris's "Hawksbill Turtle", and from the sculptor Nicola Hicks, a sheet of six spirited atchings of farmyard animals called "Old Macdonald". Elizabeth Blackadder's fasci-nation with traditional Japan

has inspired two memorable works; "Shrine, Kyoto" and "Reflections in a Black Pool." Among other RAs who exhibit work on the grand scale, it is a memorably good year for Anthony Wishaw. At first sight His massive canvas, "Autumn Spinney" might appear dour hut then reveals its lyrical quality, a season simplified by the painter's eye into branches, a scatter of red berries and silver streaks of frost. Sonia Lawson is another RA who can be relied on not to trot out a welltried formula. This year, her paintings range from a large still-life evoking Holland (herring, windmills, tulip-hulbs) to the strongly symbolist "Homage to William Blake".

Although hung high and hard to see, Alfred Whiteley's "Family Group with Boer Soldier" is an interesting, enigmatic painting. Peter Layzell's "Crowds Around a Fire" has a mysteriously supernatural quality in a year when there are many small pictures of obscurely menacing figures. I was also much taken by Brian Nolan's still life, "Après Midi", Robert Chandler's subtle "Blue Vase" several attractive watercolours by Victoria Crowe, and strong, uninhibited charcoal landscapes by Tessanna Hoare.

Sponsor to the 225th Summer Exhibition; Guinness, Exhibition closes August 15.



Winning 6 portraits

Award comes round again, for the 14th time, in as robust and varied a competition as ever, writes William Packer. Ten thousand pounds, with a further £2,000 commission for a portrait for the collection, were always worth the winning, but the importance of the award goes deeper. It has brought the discipline of the Portrait back into the currency of contemporary art, a possibility that even 20 years ago seemed as remote as the revival of the full-bottomed wig. The winner this year is

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Phillip Harris, for his hyper-realist image of two figures, mala and female, nude and grunge respectively, lying on the bed of a stream. But the strength of the competition is to be measured by the immediate runner-up, a % length self portrait in a football jacket by Christopher Prewett (left), an artist who has been in the offing for the award a number of times, and could well have won this year with this, the most confidently and painterly image of the show. The professionalism of the entry throughout is remarkable; this is a competition that artists themselves clearly treat with an increasing seriousness with every year it continues.

BP Portrait Award 1993 -National Portrait Gallery until

A prophet overlooked

F CONTEMPORARY British music over the past decade has had a prophet without honour in his own land it has probably been Jonathan Harvey, whose music is widely admired and performed throughout Europe, yet has remained securely within the province of the new-music specialists here. All that may be about to change. Harvey's opera Inquest of Love opens tonight at English National Opera and his Song Offerings, a cycle of settings of Tagore from 1985, has been awarded the Britten Prize for Compositioo worth £10,000.

Harvey is now 54, half a generation younger than Birtwistle and Maxwell Davles; he grew up in the wake of the post-war avant garde and was able to extract what he needed from their music. An early grounding in Schoenhergian serialism from Hans Keller and Erwin Stein and study for a Cambridge doctorate was followed by a year at Princeton University absorbing the structural doctrines of Milton Babbitt; overlaid on this academic progress was Harvey's discovery in the lata 1960s of the music of Stockhausen, about whom he went on to write an important early study. It all went into the mill of making Harvey an outward-looking, open-minded and in many ways un-English composer; he was, for instance, one of the earliest converts to the

immense possibilities of Bou-lez's IRCAM in Paris, where he has worked on several works that use electronics and com-

puter-generated material. What has set him still further apart from most of his contemporaries has been the intensely wrought religious and philosophical thrust of his music - hroadening out from the theosophy of Rudolf Stel-ner in the sequence of 1970s pieces called Inner Light with which he first established his reputation, to pieces in which he explores a pan-religious concept of consciousness, tying in elements of Buddhism and Christian thinking. It is this same mixture, unblinking and intellectually hard-centred, not at all the sentimentalised spirituality so fashionable in the music of Tavener and Gorecki, that underpins Inquest of Love. Harvey regards the new

opera as the summation, philosophical and musical, of all the strands of his development so far. He first sketched ideas for the work more than 20 years ago: he returned to the idea in the early 1980s when a libretto was drafted, and that was enough to stimulate David Pountney's interest in the project. ENO offered a commission and Harvey co-opted the dra-matist David Rudkin to shape and leaven his text. It tells a curious, timeless story - a wedding ceremony that disintegrates into tragedy and the eventual resolution of the suffering and its root causes in the after life.

There are echoes in the text of William Blake, W. B. Yeats, Tippett's Midsummer Morriage and especially, in the second act's journey through the "higher realm," of Elgar's Dream of Gerontius. Harvey acknowledges the oratorio as an important influence; "As a boy I used to play Gerontius on the plano: it was the first work that really obsessed me, I was a choirboy in Worcestershire [at St Michael's College, Tenburyl where Elgar was very

much in the air." But a music impulse was the real starting point for the opera. "Geronlius speaks of a sound 'like the rushing of the wind', and these are sensations of which I read much later in Steiner and Yeats, When I look back on my music I realise how this scheme has been present in so much that I had done before - Stockhausen was a very important influence, suggesting that his electronic music offered a new reality, a different world, in an expanded consciousness, in the world of my opera there is really no distinction between life here and life after death - death becomes just a little gate to push open and pass through.

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after death and suffering (you could call it purgatory but I. don't like the word), of living through suffering and forgiving - as one does in life any-way, but probably after death it's much more immediate and raw. It's being in a pure state of emotion with no disguise, no hiding: I knew the opera would be a process of trying to represent this suffering in the context of radiant possibilities. For me music is about suffering and release; I just can't disconnect life from music in the way

some people can". If on one plana Harvey's thinking connects with an peculiarly English vein of mysticism that stretches back through Hopkins and Blake to Thomas Traherne, on another his music, with its use of electronics and synthesisers in the orchestra, is very much late 20th-century in its spirit. Inquest of Love is that rare contemporary thing: an opera which is going to stand or fall by its music. The text has potential to be transcended hy the invention or dashed hy it; if the former, then Harvey's stature is going to be immea surably enhanced.

Andrew Clements

Off The Wall/Antony Thorncroft Not cricket for culture

HE CENERAL apathy in ministerial and media circles about the political importance of the arts and heritage was spotlighted hy the total absence of comment or concern about the removal of the chorister Robert Key, number two minister at the Depart ment of National Heritage, in last week's government reshuffle. He was replaced by lain Sproat, best known as editor of a cricketers Who's Who.

This might be good news for the sports side of the department's activities but it bodes ill for its cultural brief. The overall lack of any initiative in the arts world is also reflected in the anodyne investigation by Price Waterhouse into the future role of the Arts Council, which faces, through delegation to Regional Arts Boards, the loss of many clients and influence. In the end no report was forthcoming; just a lot of alternative ideas on which the Heritage Secretary, Peter Brooke, can brood.

There was a radical option: to drop 100 of the Arts Council's staff of 154, saving £2.5m and leaving the Council little more than an advocate for the arts. But Brooke made clear yesterday that he did not favour such root and branch surgery. If he

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does make a decision - promised by July -It is likely to be option two, cutting fewer than 40 jobs and saving less than £1m. There will be cosmetic changes - reduc-

ing the size of the Council's board from 20 more will be adequately displayed. Other to 12; defining the role of the Council with artists to get a comprehensive airing for both the Department of National Heritage and the Regional Arts Boards; and getting the Arts Council to concentrate on its traditional core activity such as funding, sessing and championing the arts, and leaving well alone research, marketing, policy analyses and communications. The Arts Council department handing this sector has expanded to around 30 people in the last two years. This is the obvious area for money to be saved while the traditional Arts Council carries on as before.

However gloomy the arts scene in England, a trip to Cardiff provides a more optimistic picture. In the autumn the biggest arts huilding project under way in the UK will be completed - a £26m extension to the National Museum of Wales, which increases its display space by a third. Already paintings that have languished

in store for years are being introduced to the six new art galleries emerging on for-

mer courtyard space. Most welcome will be a decent show at last for the Davies Collection of French impressionists. Eight Monets, nine Rodins, three Cézannes and ie tirst time include Augustus and Gwer John, Richard Wilson and Ceri Richards.

When the future of the National Museum was under investigation in the 1970s one suggestion was that it should he converted into the much needed opera house for Wales. Now even this long unravelling saga seems near conclusion. Few doubt that a £60m opera house, a decent home for Welsh National Opera after years of being squeezed at the New Theatre, will arise on the revitalised Cardiff Bay (the sanitised soubriquet for old Tiger Bay) in time for the Millennium celebrations. The site is fixed and the architectural competition for the building should

be under way by the summer.

Some of the Lottery-funded Millenium money must go to Wales, and this is the one project that unites the nation. By douhling the potential audience for each performance to 2,000 it could even re-pay its cost over a few decades.

Radio

Forty years of memories

40th anniversary of the Queen's coronation on radio but by reminders of the day itself? Only Radio 2 did so wholeheartedly, first recalling the events of the day (including the ascent of Everest), theu with music as played in Westminster Abbey precisely 40 years before. This was followed by presenter Raymond Baxter in it be his 40th anniversary

too?) remembering some events of 1953. Radio 3, who gave a lovely concert of madrigals commissioned for the occasion, must have regretted that the coronation had not been in 1968, which they are still celebrating.

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Sixter Superior.

Anniversaries being in tune, on Sonday Radio 3 began its observance of Christopher Marlowe's death 400 years ago with two of his shorter plays. Dido, Queen of Carthage. perhaps written with Nashe uses the same story from the Aeneid as Purcell's opera Dido's love for, and betravai by, Aeneas. It is thought to be an early play, but uses the poetic ekill of the later works

This production, directed by Michael Barley and Alan Drury, was very much cut, not only of lines, hut of speeches and whole scenes; and frankly this was not much loss, for the performance was unexciting. Aeneas (Timothy Walker), halling the Carthaginian citizens on his first landing, might have been asking the way to the library.

Sally Dexter's Dido was short of emotion too, and could not move me even with such lines as "I'll frame me wings of wax, like Icarus/And o'er his ships will soar into the sun/ That they may melt, and I fall in his arms." It sounded too much like a first reading. Josephine Veasey in Purcell's "When I am laid in earth", played afterwards, gave the

true feeling. The Massacre at Paris deals not only with the butchery of the Huguenots on St.Bartholomew's Day (off-stage) but with sundry murders contrived by the Duke of Guise in his campaign against the Protestants and hope for the French crown. leading the (He even put down the French King's professor of logic for having argued against Aristotle's Organon, but this

scene was cut.) The Radio Times called the play "savagely comic", and indeed the succession of assorted deaths is somewhat extravagant; but there is much of Marlowe's dazzling verse, and Jeremy Blake spoke Gaise's splendid lines admirably. The company, that must take 34 parts besides "Protestants, soldiers, murderers, etc." was mostly

the same as in Dido, but the playing was a good deal better. The same directors were in charge, but the Radio Times has - significantly? reversed their names. To hear these two plays at all was a joy; but we must do better next week with Edward II.

Radio 3 gave enjoyahle readings of Graham Greene's short travel pieces, and Radio 4 had Dirk Bogarde himself reading extracts from the memories of his childhood in Great Meadow. Addicts can buy a Radio Collection cassette of the entire set, but

I have to say that the kind of youth recalled will appeal mainly to older listeners. I would like his recollections as a wartime staff officer -I had his job later when he had moved on. But that is for the oldies too, I suppose.

Generally it is Radio 1 FM social-improvement campaigns, but for Do It! this week, designed to stir the nation's volunteers into helpful action, they just boosted the free information lina (0800-500-800 from 9am to 7pm). More detail on Radio 2 and Radio 5, encouraging listeners to deliver meals, rattle charity-cans, aid the blind, rescue lost cavers, what you will - and some of the recorded recipients sounded

B A Young

Chess No 977: 1 Nf5 (threat 2 Rxh4) Nxf5 2 Qe2. or Nf3 2 Ne3, or N(h4) else 2 f3, or Bh5 2

less than grateful; but the

help-line is what really



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11 Bxg7 Kxg7 12 Qd4+ Nf6 13 Nd5 Qd8 14 Ng5l The game

position is bopeless. The threat

is 15 Nxf6 Qxf6 16 Qxf6+ Kxf6

Res 15 Nxh7! Re4 16 Qr3

Rxe2 17 Nhxf6 Qh8 18 Ne4+

Resigns. If Kg8 19 Ne7+ Kh7 20

Ng5+ wins the queen and soon

mates, while if Kh7 19 Ng5+

Kes 20 Qf3 with threats Qxf7

mate and Qxe2.

CHESS

pin ranks highly. A classic pin has hardly begun, yet Black's

move because of check or 17 Nxb7+ and 18 Nxf8.

AMONG THE various tactical

devices for winning chess the

occurs when a lesser piece,

often a knight, is unable to

hecause it would expose a

Beginners become aware of

the strength of pins when their

early queen sorties end with

HM trapped by a hostile el

rook against an uncastled e8

pawn to e5 or a knight to d5.

future world champion (A.

Miles, White; V. Anand, Black;

Rome 1990). 1 d4 d6 2 e4 g6 3 c4 Bg7 4 Nc3 Nf6 5 Nf3 0-0 6 Be2 e5 7

0-0 Na6 8 Be3 Qe8 9 h3! exd4

10 Bxd4 Nxe4? Falling for the

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BBC RADIO 3 6.36 Open University: Lord Briggs on Victorian Culture. 6.55 Weether. 7.00 Record Review. Bruch. Howells. Prokoflev, Trad art British. Mandelsschn, Eigar, Bax. Edward German, Howells. Edward German, Howels, Stravinsky, 1,00 News, 1,05 Music for a While, Music by 1.55 Test Match Special England v Australia. 8.10 Evening Sequence. A selection of music. 7.15 if Turco in Italia. Rossin's two-out comin comm Section 15 Rogalni's two-act comic ope 72 B to a Boretto by Felica Romani, shout a poet who finds
inspiration for a comedy in the
actions of those around him. 10.30 London Jazz Festival. Geoffrey Smith introduces John Surman's group Brass Project. 12.30 News. 12.35 Close. -24% S - 12 - 07

BBC1

7.90 Ceefax Pages. 7.25 News. 7.30 Pinocchio. 7.50 The All-New Popeye Show. 8.10 The Girl from Tomorrow. 8.25 Polsworth and Co. 8.00 Parallel 9. 10.52 Westher.

10.55 Grandstand, introduced by Heien Rollason, including 11.00 Cricket: First Test. England v Australia. The third day's play from Old Trafford. 1.00 News. 1.05 Tennis: The French Open. The women's finel from Paris. With three-times champion Monica Seles recovering from the stab . wound she sustained in Hamburg. who will claim the title? John Barrett and Virginia Wade commentate. 1.40 Tennis and Cricket: Further coverage from Paris and Old Trafford. 3.00 Tennis and Golf: News from the French Open, and the third round of the British Masters from Woburn.

Times may vary. 5.15 News. 5.25 Regional News and Sport. 5.30 Cartoon. 5.40 Jim'll Fix It. A 15-year-old tap

dences round Hull, and two young girls arrange for their father to have a singing lesson. 6.15 The Main Event. The Kurmoo family G.15 The Main Event. The Kurmoo familiform Coverity teams up with Viold Milchelle, Gorden Kaye and Kim Hartmen to take on the Leas from Salford, who are joined by Madeleine Howard, Frazer Hines and Flonnuals Eliwood.

7.05 The House of Eliott. Another showing the property of the second of the control of t

ing of the second series of the 1920's fashion drama, starring Stella Gonet and Louise Lombard.

8.00 Open All Hours. Corner-shop com-edy with Ronnie Berker and Devid 8.30 Birds of a Feather. Sharon and

tracey devise money-making schemes to boost their meagre incomes. Comedy, starring Pauline Outke and Linda Robson. 9.00 Westbeach. Bill Cromer, already in trouble for his adultery, faces more problems when he becomes a berman. Hugo schemes to replace Greg as hotel manager, and Jan finds her-

self attracted to a young actor, 9.50 News and Sport; Weather. 10.10 That's Life! 10.80 Film: National Lampoon's European Vacation. The Griswold family embarics on a disaster-packed Continental tour, Disastrous com-

edy, starring Chevy Chase and Bev-erly D'Angele (1985). 12-20 Cricket: First Test, England v Australia. Highlights of the third day's play.

BBC1

7.00 Coefex Pages, 7.30 Wiz Bang, 7.40 Charlie Chelk, 7.65 Playdays, 8.15 Breakfast with Front. 8.15 in Touch with Heating, 9.30 This is the Day, 10.00 See Heart 16.30 Italianteeimo, 10.45 The History Man.

Australia. Live coverage from Old Trafford, Continued on BBC2.

10.50 Cricket: First Test, England v

12.30 Country/File. Rural and agriculturel

1.03 On The Record. Political analysis.

2.00 EastEnders.
3.00 Film: Kralenton – East of Java.
Epic account of the 1883 eruption of

ens a shipful of passengers, includ-ing treasure hunters, convicts and a beautiful widow looking for her long-

lost son, Starring Maximilian Schell, Diane Baker, Barbara Werle and

12.55 Weather for the Week Ahead.

Diane Ba

5.25 Lifeline.

6.10 News.

5.35 Masterchef.

hymms.

(1990).

Nows and Weather.

10.30 Heart of the Matter, Joan Bak

9.35 Lady Chatterley. Ken Russell's adaptation of DH Lawrence's novel.

The heautiful Connie Chatterley,

husband, begins an affair with their

Bean, James Wilby and Shirley Anne

explores a 15-year campaign of vio-ient protest by American anti-abor-tion activists, which culminated

eeriler this year in the murder of a surgeon in Florida.

Time of Her Life. Health tips for women over 40, including advice on

the importance of exercise.

Race. 4.00 Days of ed. 5.00 Cinema 2.

10.00 Loose Ends.

6.65 to the Chib.

5.25 Tea Junction.

6.00 News and Sports Round-Up.

11.00 Talking Politics, What future is there for British

Future Passed, 5.00 Cinema 5.30 Nick Berraclough's I

Country, 6.00 Gene Planey In

Concert. 7.00 Edmundo Ros. 7.30 An Evening with Dennis O'Nelli. 9.30 Devid Jacobs.

18.00 The Arts Programme. 12.05 Ronnie Histon. 1.00 John Terrett. 4.00 Barberz Sturgeon.

11.35 Seebrook's Year. 12.05 Weather.

12.10 Close-

handsome gamekeeper, Mellors. Starring Joely Richardson, Sean

Brian Keith (1968).

5.00 The Flintstones. Cartoon fun.

6.25 Sweet Inspiration. Alan Titchmarsh

7.00 Passport To. Anneks Rice presents

tion to compete in a non-stop tion to compate it a non-stop sequence gruelling mental and phys-ical challenges.

7.50 Film: Perry Mason: The Case of the Poisoned Pen. The intreptd law-

presents six programmes in which celebrities discuss their favourite

a travel game show in which two couples are flown to an exotic loca-

yer investigates when a crime writer

BBC2

6.40 Open University.

3.00 Cricket: First Test, England v Australia. Live coverage of the third day's play in the First Test at Old Trafford. Graham Gooch's England try to wrest the Ashes from the Austrellans.Commentary by Richle Ben-aud, Ray Mingworth, Geoff Boycott and Jack Bannister.

6.35 Late Again. Highlights from last week's editions of The Late Show.

7.30 Nows and Sport: Weather

7.45 Singers and Swingers. An episode of Cilla Black's 1968 show, with guests Cliff Richard and Sandie

8.10 Just Desserts. First of a two-part look at the morality of punishment. took at the moranty or pureatment, investigating how victims of crime are having an increasing say in the sentencing of offenders. The programme features countroom footage from America, where relatives of murder victims can attempt to influence have better itself to extend the country of th ence juries into giving death sen-tences. Some judges approve of this trend, but is there a risk that it might result in justice taking second place

9.00 Have I Got News for You. Repeat of Friday night's edition of the last programme in this series of the news quiz. It will be missed. Roy lev MP and comedian and actor Tony Stattery join regular team captains Ian Halop and Paul Mer-

9.30 The Second Heimst & New Gen. the second heims: A New Gen-eration. Edger Reitz's epic flows on. Schrusschen menages to persuade Hermann to marry her, despite his love for Clarissa. But awkward repercussions follow when the wed-ding party erupts in chaos. Meen-while, Heiga seducas a stranger, white, risign securcies a stranger, Clarissa agrees to join Volker on a walking trip and Juan attempts sui-cide when his Finnish girthiend films with Rob. (English subtitles).

11.30 Film: The Blue Lamp. Manhurt thriller, starring Jack Warner, Jimmy Hanley and Dirk Bogarde. A new police recruit tracks the killer of the officer who trained him. The film that gave birth to Obson of Dock Grean (1960).

BBC2

6.15 Open University, 9.10 Thundercata, 9.30 Johny Briggs, 9.80 The Movie Garna, 10.15 Rugrets, 10.40 Grappe Hill, 11.00 Blue Peter, 11.25 The Al-New Popeye Show, 11.45 The O Zona.

12.30 Sanday Grandstand, Introduced by

samony Gramastand, impouded by Helen Rolleson, Including at 12.35 Cricket: England v Australia in the First Test from Old Trafford, Richle Benaud, Ray Mingworth, Geoff Boy-cott and Jack Bannister commen-

tate, 1.00 Tennis; French Open.

John Barrett and Mark Cox com-

French Open. News of the men's final from Parts. 4.00 Cricket. 6.00

Men's semi-final action from Paris.

mentata, 1.40 Cricket, 3.40 Tembs:

Goff: The British Masters. Coverage

Commentary by Bruce Critichley, Alex Hey, Citve Clark, Miles Hugher don and Steve Rider. Times may

fraud cases, such as the Polly Peck, Guinness and Barlow Clowee affairs,

have hit the beadlines, Joshus Roz-

whether the current judicial system

is adequate to deal with such com-

Two Seconds to Midnight. A look at the natural history of the world,

using computer graphics to recreate scenes from the long reign of the

who was one of the most famboy-ant ministers in Mrs Thatcher's Cab-inet. Michael Cockerell looks at the

life and career of this wealthy mil-

dinosaurs to the emergence of

9.10 Love Tory: A profile of Alan Clark,

Numbeum (1967). 11.45 Cricket: First Teet. England v

1.15 Badminton: World Championships. Highlights of the finals.

10.00 Moviedrome.

enberg and Tessa Curtis Investiga

of the finel round from Woburn.

7.00 The Money Programme. Since the formation of the Serious Fraud Office in 1987, several high-profile

12.65 Closs.

SATURDAY

TELEVISION

LWT

6.00 GMTV. 9.25 Gimme 5. 11.20 The ITV Chart Show. 12.30 pm Movies, Movies, Movies. 1.00 ITN News; Weather.

1.05 London Today, Weather 1.10 Rugby: The Lions Tour, Highlights of the British Lions' matches against Canterbury and Otago in New Zealand. Commentary by John Taylor and Alastair Hignes.

2.30 Wanted, Dead or Alive. Josh (Sieve McQueen) finds his life in danger. 3.00 International Athletics. Relay evants, feeturing Olympic gold medalists Linford Christie and Salty Gunnell, plus Colin Jackson, Torn McKean, Yvonce Murray and Earnonn Martin, Introduced by Jim

Rosenthal from Mountbatten Sta-

dium in Portsmouth, with commen-tary by Alan Parry, Peter Matthews and Steve Ovett. 4.45 ITN News; Weather 5.00 London Today and Sport;

5.10 Film: The incredible Hulk Returns The green-skinned monster clashes with the Viking god Thor. SF comicstrip adventure, starring Bill Bibby (TVM 1988).

7.00 Stars in Their Eyes. Metthew Kelly Introduces more would-be super-stars who don the guises of their singing idols.

7.30 The Brian Conley Show. Sketches and songs with the award-winning entertainer. 8.00 The Bill. A con man strikes in the

The Bill. A con man strikes in the sun Hill area.

London's Burning. Speries fly on November 5 as Blue Watch faces its busiest night of the year, while Sick-note, Charlema and Bayled cope with problems on the domestic front. Fire fighting drame, starting Richard Walsh, Gerard Horan and James Hezaldine.

9.30 Film: Money, Power, Murder. A TV journalist finds himself involved in s charismetic evengelist's dark secrets when he investigates the mysterious disappearance of a leading female presenter, Thriller, starring Kevin Dobson, Blythe Danner and Josef Sommer (TVM 1889). 11.15 ITN Naves; Weether.

SUNDAY

LWT

6.00 GMTV, 9.25 Heidl, 9.50 The New Adventures of Stack Besuty, 10.20 The Littlest Hobo, 10.45 Link, 11.00 Morning Worship, 12.00 Civine Implies-tion 12.30 pm Crossball; Weather,

1.00 ITN News, Weether.
1.10 Sunday Supplement, Donald Treiford of The Observer Joins Edwins

Currie to review the week's news. 2.00 Faith and Music. An Interview with

tered the charts with Tubular Bells II.

2.30 Intercettoral Flugby, Canada v
England, Highlights of the Second
Test at Twin Elm Rugby Park,

Mile Oidfield, who shot to fame with Tubular Bells and recently re-en-

attempt to pry secrets from Army officer James Gamer (1964). The \$64,000 Question. An Interview with Mike Oldfield, who shot to teme

entered the charts with Tubular Beils

II. He discusses how his music reflects his deeply-held religious beens and how it offered a release

from the problems of childhood. 6.00 London Tonight; Weather.

7.00 Surprise, Surprise. 8.00 Heartbeat. A domestic argument, a

iddrapped beby and a group of travelling hippies cause friction in Aldensfield. Drama set in the York-

shire Dales, starring Nick Berry, March Cusack, Derek Fowlds and

Bill Maynerd. Jeaves and Wooster. Bertle Woos-ter faces romantic problems from an

admirer intent on marriage. The situation worsens when he is errested for trying to protect a female friend

in a nightclub. Jeeves is called in to help - but is caught breeking into a

6.20 ITN News; Wes 5.30 Watching.

with Tubular Bells and recently re

11.30 London Weather 11,35 The Good Sex Guide.

12.05 291 Ch.b. 1.05 The Big E. 2.00 Get Shiffed; ITN News Headlines.

2.05 Basketball; ITN News Headlines. 3.05 New Mosic. 4.10 Rock Sport. 4.30 BPM; Night Shift.

CHANNEL4

6.00 Early Morning. 10.00 Trans World Sport, 11,00 Gazzetta Footbell Italia, 12.00 Sign On. 12.30 pm

1.00 Storm Over the Okavango. Wildlife in the Delta of the Okavango River, Botswana.
2.00 Four-Mations: Aspects of Cornedy

Season showcasing the work of three animators with distinctive comic styles, plus a selection of Russian animations. Beginning with SIR Plympton's Push Comes to Shove, Bob Godfrey's Rope Trick, Aleksel Karayer's award winning Welcome, and Oh What a Knight, by Paul Driessen.

2.30 Racing from Epsom. Coverage of the 2.45 Energizer Malden Stakes, 3.15 Energizer Stakes Hendicap. 4.05 Energizer Celcs and the 4.40 Energizer Stakes Hendicap. Introduced by Brough Scott.

6.30 Right to Reply. Viewers' reports and ideas about TV; News Sum-

7.00 Four-Mations: Aspects of Corned Animator Paul Driessen explains how growing up in Russia as the child of Dutch diplomets has influ-

child of Dutch diplomets has influenced his career.

8.00 Best of Cutting Edge. Etcn, one of the most renowned public schools in the world, has provided Britain with 18 prime ministers and many high-ranking officials, diplomats and civil servants. The programme looks behind the doors and exemines how it is coping with changing times.

8.00 The Belderbecks Comnection. Jill and Trevor finally manage to rid themselves of Iven while supposedly under police surveillance - only to

under police surveillance - only to be surprised by another visitor, Star-ring Barbera Flynn and James

Bolam. Repeat. 10.00 Drop the Dead Donkey. Henry and Selly strike up an unlikely alliance when they discover Gus has employed another newsreader to represent the youthful face of Glo-belink, David Swift and Victoria

Wicks star. Repeat. 10.30 Films Le Chateau de ma Mans. A teenage boy makes new friends when his family goes on holiday in rural Provence. Sequel to La Gloire de mon Pere, based on Marcel Pag-nol's surbbiography, Starring Julien Clamca, Philippe Caubere and Nathalie Roussell (1990) (English

regrams Houseoff (1990).(English subtities).

12.25 Four-Mattions: Aspects of Cornedy.

12.46 Evening Shade.

1.20 Poor Man's Crange.

2.15 Close.

CHANNEL4

American, Pat O'Brien stars in this blopic of American-Norwegism foot-

bell star Krute Rockne, Ronald Re-gan appears in his most famous role as star footballer George Gipp, With Gale Page and Donald Crisp (1940).

an award-winning version of Little

top match in Seria A; News Sum-

songs, After three days' work, the indie band take their product back

to the company - but will it be good enough to clinch a deal? BBy the Fish. Compliction of car-

toons based on the Viz comic strip.

Short films by four distinctive anima-tors - Great, Bob Godfrey's Oscar-winning numbral fantasy documen-tary about the file of Isambard King-dom Brunet; The Heron and The

Crane, Yuri Norstein's tale of bicker-

ing birds; Your Face, Bill Plympton's

study of human facial expressions; and The Wolf and The Calf by Mik-

sees how inclustrial developments

such as the move from steem power to electricity, have changed British working practices and made house-hold knuries more needily available.

Plante's two-part thriffer, Johnny Lazer (Tim Guines), a failed Ameri-can comedian, travels to London to

give his career one last try, and wit nesses a gargiand kiting in Soho. After clearing the main suspect he realises comedy is not all it's cracked up to be when the real

murderers take up his trail. Also starring Michelle Fairley and Jenny

Galloway. 11.10 The French Derby. Highlights of

11.40 Four-Metions: Aspects of Comedy.

11.40 Four-Metions: Aspects of Comedy. The Tune. British TV premiere of BE Phyropton's feature-length enimated musical.

12.55 Closs.

heil Kamenetsky, about a wolf who can't bring himself to kill. 8.00 The Long Summer. Alan Bennett

8.30 Streetlegal. Patricia Hewitt investi-gates the British legal system. 9.00 Cornics. Part one of Lynda La

7.00 Four-Mations: Aspects of Comedy.

6.30 The Wonder Years.

2.30 Four-Mationa: Aspects of Comed Two Russian animations, including

Red Riding Hood. 3.15 Football Italia. Live action from a

5.30 The Next Big Thing. An American record company sees FMB perform and asks them to record two demo

12.40 Film: Krute Rockne - Ali

REGIONS

ITY REGIONS AS LONDON EXCEPT AT THE POLLOWING THREE-1.05 Anglis News. 2.80 WCW Worldwide Wrestli 5.00 Anglis News and Sport 11.50 Anglis Westle

1.05 Border News. 2.30 Spanish Goals Extra. 5.00 Border News and Weather

1.05 Central News 2.80 Nigel Mansell's IndyCar 193. 5.00 Central News 11.30 Local Weather.

12.30 The Mursters Today, 1.05 Channel Diary, 2.30 Nigel Marcell's IndyCer '83, 5.60 Channel News. 5.05 Puttin's Pte(()ce.

12.30 Telefios - Na Seachduinn. 1.05 Grampien Headlines 2.30 Movies, Movies, Movies, 5.00 Grampian Headlines 5.05 Grampian News Review.

CIMANADA: 1.05 Granada News 2.30 Spanish Goals Edins. 5.00 Granada News 5.05 Daily Duck.

1.05 HTV News. 2.20 Nigel Manuell's IndyCar '93. 5.00 HTV News. 5.05 Foghorn Leghorn. 11.20 HTV

HTV Water as HTV eccept: No varietions.

12.30 The Munsters Today, 1.00 Meridian News. 2.30 Nigel Mansel's IndyCer '93. 8.00 Meridian News. 5.05 Cartoon Time.

SCOTTIBLE: 1.05 Scotland Today, 2.30 Teleflos - Na Seach-durin, 5.00 Scotland Today 5.05 The Box, 11.30 Scotlah Weather, 11.35 Scotch and Irish.

TYNE TERS: 1.05 Type Tees News. 2.30 Incredible Stants and Jumps. 5.00 Type Tees Seturday

ULSTER 1.05 UTV Live News 2.30 Nigel Mansell's IndyCar 193, 5.00 UTV Live Early Evening News, 11.30 UTV

1.05 Westcountry Weekend Latest. 2.30 Nigel Man-sell's IndyCar '83. 5.00 Westcountry Weekend Lat-

YORKESHERE: 1.05 Calendar News, 2.30 Incredible Stunts and Jumps, 6.00 Calendar News,

840 Water as Channel 4 excepts—7.00 Paddington, 7.05 The Legand of White Feng. 7.35 King Arthur and the Krights of Justice, 8.00 Retry's Burich, 8.30 Receivest o'r Urdd, 9.00 News, 8.16 Raching-The Morning Line, 12.30 The Wonder Years, 1.00 Towards An Unknown Land, 2.00 Esteckflod Yr Urdd, 2.45 Recing from Epsom, 8.30 Stot Steddfod, 7.00 Newyddion Nos Sarksum, 7.20 Taith V Llewod 1993, 7.50 Piglon Y Dydd, 11.30 Drop the Deed Donkey,

REGIONS

6.00 Early Morning, 6.50 Dennia, 6.45 Filipper, 10.15 The Lone Renger, 10.45 Land of the Glenta, 11.45 Little House on the Preline, ITY REGIONS AS LONDON EXCEPT AT THE

ARCO LAC 9.25 Race for Your Life, Charle Brown, 19.05 Cartoon Time, 12.30 Countrywide, 12.55 Anglia News, 3.30 The Thomas Crown Affair, (1968) 8.00 Anglia, News on Sunday 11.30 Anglia Weether, 11.35 No. 1 hims Anglia News on 8 11,35 It's a Uving.

CHISTRAL:

9.25 Rece for Your Life, Charlie Brown, 10.05
Cartoon Time. 12.30 Central Newsweek. 12.35
Central News 2.00 Take 15. 2.15 Earthlife, 2.30
Coach, 4.00 Pippl on the Ran, (1970) 5.40 Central
Time, 5.45 The \$84,000 Cuestion, 6.15 Central
News 10.00 Spttling Image, 10.30 Aspel and Company, 11.30 Local Westher,
Care Alexander.

9.25 Doneld takes a Holiday, 10.45 Cartoon Time, 11.00 Decreased Galidenships, 11.45 Link, 12.30 Gardener's Dieny, 12.55 Grampier Headlines, 2.00 Nigel Memoet's IndyCar 193, 8.30 Refly Round the Flag Boys. (1958) 8.00 Gramplen Headlines 6.05 Ellion. 11.30 Gramplen Weather.

CHARADAS R. Z. Pippi In the South Sees. 12.25 Blondle and Degrecod., 12.55 Oranada Nows 2.00 Granada Action. 2.30 A Fint Class County. 8.00 International Flugby. 4.00 The A-Team. 4.45 Coronation Street. 8.45 Strictly Classified. 8.15 Granada News 10.00 Spitting Image. 10.30 Aspel and Company. NTY:

9.25 Spooner, 19.15 Cartoon Time, 12.25 HTV Nowe, 12.30 HTV Newsweek, 2.30 Meredith on Sunday, 3.09 Supersians of Wresting, 3.45 Interna-tional Rugby, 4.45 Magnum, 6.45 The \$84,000 Question, 8.15 HTV Nows, 11.30 HTV Westher, 14.55 Decembers, 12.50

11.35 Brewhouse Jazz

11.35 Erovinus Jazz.
HTV Weles as HTV except:
10.25 Cartoon Time, 12.30 Playback, 2.30 Weles
On Sunday, 4.45 Urdd Sateddiod '83.
ABERDARIE
9.25 Race for Your Life, Charle Brown, 10.05
Cartoon Time, 12.30 Meridian This Week, 12.50
Meridian News 3.30 Wanted Dead or Alive, 4.00
Cartoon, 4.20 Life Goes On, 6.15 The \$54.600
Cartoon, 5.45 Fit by Win 6.15 Meridian News Question, 5.45 Fit to Win, 6.15 Meridien News

9.25 The Littlest Hobo, 9.50 Highway to Heaven. 10.45 Wernyas Bay 902101, 11.30 Link, 11.45 Scotland Today, 2.00 Linken Inspiration 12.35 Scotland Today, 2.00 Litabout, 3.90 Shane. (19.53) 5.00 Cartoon. 6.00 Scotland Today 6.05 Ellion. TYNE TERM

TYME TEXES

8.25 Eds. 10.15 The New Adventures of Black
Beauty. 12.25 The Littlest Hobo. 12.50 Tyre Tese
Newsweek, 3.30 The Waters Settuplets. 4.15 Carton. 4.20 Life Goes On. 5.20 The \$84,000 Question. 5.50 Tyre Tess Weekend. 11.30 Local
Weather, 11.35 Love and War.

Westroutersty:
9.25 Race for Your Life, Charle Brown. 10.05
Cartoon Time. 12.20 Westcountry Update. 12.55
Westcountry Westend Latest. 3.30 Stormin' Home. Westcountry Westernd Latest, 3.30 S (TVM 1985) 5.15 Brief Encounte \$84,000 Question, 6.15 Westcountry

est. 11.35 Married - With Childre YORIGERIAN
9.25 Ede, 10.15 The New Adventures of Black Beauty, 12.25 The Littlest Hobo, 12.80 Calendar News, 3.30 The Walton Sextuplets, 4.15 Cartoon, 4.20 Life Goes On, 5.23 The \$54,000 Calendar, 5.50 Calendar News and Weather 11.30 Local Weather, 11.35 Love and War.

ikespeare's Athenian, having one pound over, was able to bet at

one pound over, was able to bet at will [2,5]

11 Liberal hearted, he distributes iargesse to the diriker (7)

12 Goes out with Elizabeth Barrett Browning's characters (4)

13 Tense time following the composition in the upper clef (10)

15 High class refined fuels can be practicable (5)

practication (ii)
15 City in the grip of two accountants?
What 9 caper (7)
20 In the middle of the trance was disturbed and left (7)
21 Everything within an area of 272 aguers feet can be turned over for

money (5) 24 Stitching up an elaborate story (10) 26 Hospital for men (4) 28 The annoyance of finding a fiee on

Teddy (7)
29 Caim location at the centre (7)
30 Wandering eround, ran into Albert,
who hadn't left (8)

31 During the race overhear a word of DOWN

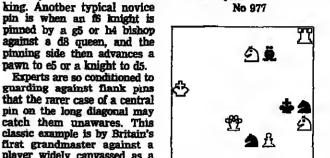
won't win (5-2)

2 Acres able to be cultivated with both the cultivated with be cultivated with the cultiv

3 in the afternoon work up to the

14 To him lots of things mean busi-

ercourt, Essex: Geo L. Houston, Falkirk; John G. Morgan, Peter-head, Aberdeenshire; Mrs J.



White mates in two moves against any defence (by D Shire, 1988). Solution Page XVIII

Leonard Barden

BRIDGE

Today's interesting hand could not ruff a club in comes from rubber bridge:

♠ À Q 5 3 ♥ K J 5 ♦ K 7 2 4 A 6 4 W ♦ 10 8 6 2 ♥ 6 4 109873 AJ1065 4 Q983 **3** 10 3 ♠ KJ974 VAQ2 * K Q 8 7 North dealt with neither side

vulnerable and opened with one no trump, promising 16-18 points. South responded with three spades, and North made the correct rebid of four clubs. This bid accepted spades as trumps, and showed his club control. South in turn showed his heart control by bidding four hearts, and North cue-bid his king of hearts. Holding a singleton diamond, South jumped to six spades, which

closed the auction West opened with the heart ten, taken by the ace, and declarer played the four of spades, West showing out. That was most annoying - he

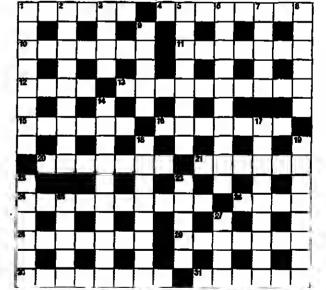
dummy, if the suit did not break. South decided to rely on the 3-3 club break, unless the diamond ace was with West. He drew trumps in four rounds, finishing in hand, theo led his low diamond, putting up dummy's king. East beld the ace, and led back another diamond. The declarer ruffed with his last trump, and ran his clubs, but West had four, and so the slam was lost.

Let us replay the hand. After winning the beart ten, we cash the king of spades, and learn the bad news. We note the two possibilities - s favourably placed diamond ace, and a 3-3 break in clubs, but we see a better way. That ever-elusive dummy reversal is the winning line. We lead our diamond four, and the king is taken by the ace. East leads back the four of bearts to dummy's knave, and we ruff a diamond in hand. We cross to club ace, ruff dummy's last diamond and draw the trumps with knave, queen, and ace. On the last spade we discard the eight of clubs, and our hand is good.

E P C Cotter

CROSSWORD

No. 8,168 Set by ADAMANT A prize of a classic Pelikan Souveran 800 fountain pen, inscribed with the winner's name for the first correct solution opened and five runner-up prizes of £35 Pelikan vouchers. Solutions by Wednesday June 16, marked Crossword 8,168 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL Solution on Saturday June 19.



ACROSS ety_left_precise_working 18 Provide the workforce at broken sewer – that's official (8) 19 Growing sign of Islam (8) 22 Country where the bear is running instructions (6)
4 Considered the atternatives to get-ting the pencakes on the celling?
(6.2) Junk food (5) rophone on the French

nom (5) d over the hotel? Then take a Solution to Puzzle No.8,167

DEPOSE PAMPER

R R E O A E

RAPIERS CORRECT

X Y G W P A U

REDALEMENT GARB

T A A O R

BREED REMINDER

E T I A N

UDREASDR GIANT

E R E N B

ARIJA DUSPENSARY

A S A S T C A

STAMIDA RIPDSTE

E U C S N E

DASMED MED DEL

SOUTHER AND WINNERS OF

Solution and winners of Puzzie No.8,157

DIDETS CONFILI

QLIB CHESECAKE

A B II F S B

DUSDAINFUL ASHA

BATTLE GARRITONE

I U D S L D N D

ODLDOKER BANDIT U L G E G E E STIE A WILD G SORIO I D
R.E. Appleby. Newcastle; S.J.
Barnes, York; J.S. Bowman, Dov-

ether ethics

(463m) at these times GMT: 6,00 News. 6,30 Europa Today.
7,00 News; News About Britain;
The World Today. 7,30
Meridian. 5,00 Newsdesk. 8,30
People and Politics. 9,00 News;
Words of Paitt; A Joby Good
Show, 10,00 News; Sushess.
Report; Worldbrief. 10,30
Personal View. 10,45 Sports
Round-up. 11,90 News
Summery; Printer's Devit; Lebs
From America. 11,30 BBC
English. 11,43 Mittagernegozite. 10.15 Trivia Test Match. 10,45 Dot Dot Dash, Ballet on

English 11.43 Minsgaragazin: News in German. 12.00 Newsdask, 12.30 Meridien. 1.00 News; Words of Faith; Multitrack 3. 1.45 Sports Hound-up. 2.00 Newshour.
3.00 News; Sportsworld. 4.80 News; Sportsworld. 4.80 News; SPORTSWORLD Aduat: News in German. 5.00 News; Sportsworld continued.
6.00 BBC English. 6.30 Heute Aduatis News in Common 7.05 6.00 BBC English. 6.30 Heute Aldusti: News in German 7.05 German Feethures. 8.00 News: Summary: A D. 8.46 From The Weeties. 9.00 News: Summary: A D. 8.46 From The Weeties. 9.00 Meridian. 10.00 News: News About British, Jazz For The Asidng. 11.45 Sports Round-up. 12.00 News: Words of Patin; Book Chalce; A Jeby Good Show. 1.00 Newsdeek. 1.30 The Ken Bruce Show. 2.00 News Summary. 2.01 Play of the Week: You May Leave The Show is Over. 8.00 Newsdeek. 3.30 Modern Monarchs. 4.00 News; News About British. 4.15 Sports Round-up. 4.30 BBC English, 4.45 News and Press

BBC RADIO 2 7.00 Don Macleon. 9.05 John Sechs. 16.30 Hayes on Sunday. 12.00 Desmond Carrington 2.00 Benny Green.

8.30 Sunday Half Hour. 10.00 Redio 2 Aris Programms. 12.05 John Terrett. 3.00 Alex Lester. BEC RADIO 3 6.35 Open University: Wilness to Change. 8.55 Weather. 7.00 Sunday Morning Concert. Mozart, Prokođev, Ravel,

Sarok, Marchesson I. Rayon, Sunday Morning, Boyce, Lehar, Boccherini, Butterworth, Byrd, Ginestera, Puccini, Gerstwin. Boar, Anon, Orti, Bach, De Faits. Pales, 12.00 Spirit of the Age. With Timethy Day and John Potter. 1.00 News, 1.05 Music for a While. Musical celebration of country life. 1.35 Test Match Special. England y Australia. from Old Trailord.

3.10 Evening Sequence. Selection of music.

7.20 Sunday Play: Edward II by Christopher Merlows.

11,25 Music in Our Time. Bens Preova, Dmitri Smirnov, Petr 0.00 Kershew in Malawi. Andy Kershaw visits the former British colony. 5.80 Poetry Plea sel Liste 12.30 News, 12.35 Close. poetry requests. BBC RADIO 4 0.00 News.

SUNDAY

6.10 Prejude 6.30 Morning Has Broken. Programme. 9.30 Special Assignment. 16.00 News. Abducted Children. 12.00 Nows. 9.00 News. 9.10 Sunday Papers.

9.15 Letter from America 9.30 Morning Service. For Trinity Sunday.

5.00 Six O'Clock News. 8.30 El Winds. 7,00 The Board Gerns 7.50 Bookshelf, Jack Higgins talks about his career. 8.00 Concerto. With plants: Mikotal Demidenko 6.00 The Natural History

11.60 Frith Banbury. 11.30 Seeds of Faith. 12.53 Shipping Forecast. 12.43 Close. SBC RADIO 5 6.30 Weekend Edition. 8.30 The Adventures of Tintin.

10.10 Across the Line.

8.00 Neveshour. 7.00 News; News About Britain; Printer's Cevil. 7.30 Jazz For The Asking, 8.00 News, 8.30 From Our Own Correspondent. 9.00 News; Words of Faith; Clessics With Kay. 10.00 News; Science in 10.30 Folk Routes. 10.45 Sports. 11.00 News; Science in Action. 11.30 BBC English. 11.45 News and Press Review in German. 12.00 News, 12.30 Ken Bruce Show; News. 1.00 Play of the Week: You May Leave the Show is Over. 2.00 Newshour. 3.00 News; Coping With Old Age. 3.30 Anything Goes. 4.00 News; BC English. 4.30 News. 300 News; News. And Features in German. 5.00 News; News. About Britsiin; Modern Monarchs. 5.46 Letter From

(463m) at these times GMT:

About Britsin; Modern Monarchs. 5.46 Letter From America. 6.00 BBC English. 6.30 News And Festures in German. 8.90 Classic Recordings. 8.30 Europe Today. 8.00 News; Words of Faith; Fot Routes. 8.30 Brain of Britisin. 10.00 Newshour. or British. 10.00 Newshour. 11.90 News; News About British. 11.15 Seeing Stars. 11.30 Latter From America. 11.45 Sports. 12.00 News; Business Review; Classics With Kay. 1.00 News. 1.30 In Praise Of God. 2.00 News; AD. 2.45 The Contemporary Virtunes.

show (4)

5 Win the debete with an open air talk (5)

5 First class face saver for the person

In charge (10)
7 Carry out research on having the function voucher in currency (5)
8. In Labour for instance one achieves equal status (6)
9 Lost out over English vestment (5)

ness (10) 17 Reckon on an acute call going

BBC RADIO 4 6.00 News.

SATURDAY 8.00 Barbara Sturgeon. 8.05
Brian Matthew. 10.00 Anne
Robinson. 12.00 Management 6.26 Week Ending. 6.50 Home Truths, John Miler talks to Florence Nightingale medal-winner Claire Standay. 1.30 Hayes on 6.50 Prayer Saturday. 1.30 The News 7.00 Today. Muddines. 2.00 Ronnie Hiton. 9.00 News. Bartschinger. 7.20 Kelektoscope. The work of sculptress Elicabeth Frink. 7.50 Seturday Night Theatre. Doppelganger, by JCW Brook. 9.05 Sport on 4. News and on from the aporting 9.20 Munic in Mind. 9.50 Ten to Ten. 10.00 News

2.10 Closs.

paper. 11.00 Singing for a Living. 11.30 From Our Own 11.30 Winston in Europe. 12.09 Money Box. With Leslie 12.25 Uteridge. The Debut of Betting Bleon, by PG Wodehouse. DEC RADIO 5 6.00 World Service. 6.30 Merk Curry's Weekend 12.55 Weather. 9.30 Get Set. 1.00 News. 10.30 Hopelong Cassidy. 11.00 Test Metch Special. 1.10 Any Questions? 2.00 Any Answers? 071 580 4444, Listeners' cells on issues relised in Any Questions? 1,30 Sport on Five. 8.00 Sports Report. 6.30 The Late Six-O-Six 2.30 Playhouse. Who Killed 7.30 Alropop Worldwide 4.60 You Know It Makes Sense. Geoff Watts investige the world of sound. 8.90 Le Top. 9.30 Nightbest. 16.00 Sports Bulletin.

4.30 Science Now. A profile of Alan Turing, one of the fathers WORLD SERVICE BBC for Europe can be received in western Europe on Mechan Wave 648 kHZ English, 4.45 News and Press Review in German.

10.15 The Way Cut.

12.00 Closs.

tary instorian-turned-politician, whose outspoken views made him one of the most controversial figures stately home. Hugh Laurie and Stephen Fry star.

10.00 Aspel and Company. Lynda La Plants, author of Comics and Prime Suspect, takes about her much-acclaimed TV work, and Lovejoy star in the modern Conservative Party. 10.05 Film: House of Games. Thriller about a psychiatriat who enters a seedy world of deception when she becomes involved with a confidence len McShane brings viewers up to date with his latest news. Music by Hothouse Flowers, with a specie trickster. Playwright David Marnet's appearance by Street O'Cornor. 10.45 Spitting Image. Latex lempoonery. 11.15 I'N News; Weather. directorial debut, starring Lindsay Crouse, Joe Mantagna and Mike 11.30 London Weather. 11.35 Faith and Music. Australia. Highlights of the fourth day's play.

12.25 Tennis: French Open. Today's action from Paris.

12.05 Cue the Music.
1.05 Get Stuffed; ITN News Headines. 1.10 TXT. 2.10 Get Stuffed; ITN News Headlines. 2.15 Out of Limits.
2.30 Memories of 1970-1991.
3.30 Snooker; Stir Fry.

RADIO

4.20 Redio 2 Young Musician 1993. 4.30 Sing Something Simple. 6.00 Charlie Chester. 7.00 Ficherd Seker.

7.00 News. 7.10 Sunday Papers. 7.15 On Your Farm. A look at a successful farming business in Buckinghemshire. 7.40 Sunday, Religious news 8.50 Nick Ross. An appeal for the National Council for

9.50 Straues and Beetl

19.15 The Archers. Omnibus. 11.15 News Stand 11.35 Pick of the Week. 12.15 Desert Island Discs. With boxer Frank Bruno. 1.00 The World This Weekend. 2.80 Gardeners' Question Time. A visit to the Clevering Horticuthural Society in Essex. 2.30 Classic Serial: My Son, My Son, By Howard Spring. 3.30 Sweat and Inspiration. 4.00 Analysis. How relevant is stricts to Britis 4.47 Treesure Islands, With

19.15 The Craft of Crime.

6.00 World Service. 10.00 Johnnie Walker. 11.00 Test Match Special. 1.00 Sunday Sport. 7,30 Open University.

WORLD SERVICE

860 for Europe can be received in western Europe on medium wave 648 kHZ

WORLD SERVICE

86C for Europe can be received in western Europe on medium wave 648 kHZ

WORLD SERVICE

86C for Europe can be received in western Europe on medium wave 648 kHZ

Sports 4.30 86C English 4.45

News And Press Review in German.

dinner party came He aimed for my right cheek; I weut for his left. We changed course at the same instant, and for a while stood shifting our heads from side to side before he landed a kiss on the edge of my

A fellow guest, e woman I knew slightly, put out her hand to be shaken just as I was advancing for a kiss. Two others were introduced: one held his hand out, one did not. The bostess called ont a verbal greeting from the sofa.

We in Britain are suffering a crisis of uncertainty over how to greet each other. No contact at all? A handshake? A kiss? Two kisses? Which cheek first? Should you make a smacking noise with your lips as if to parody the whole act? Should your lips touch their cheek, or should you just bump jawbones? Until recently, kissing was confined to lovers, family, the young or to Europhiles. That is no longer

You must remember this

A kiss is just a kiss, says Lucy Kellaway, unless it's a handshake, hug, or bow

the case: Teresa Gorman and Peter Shore, who are none of the above, were seen not long ago giving each other a kiss in the lobby of the House of Commons. It seems anyone can kiss anyone; the problem is that there are no ground rules.

A good system of greeting should be a) clearly understood by everyone b) in tune with national characteristics c) relatively quick and simple to operate and d) stable over time. The British system fails ou

Other countries fare better. Some nations are more kissy than others, but at least all know how they are supposed to behave. In France the number of kisses rises as you go down the social scale: the upper

ses three times and the working classes four times. Upper class men will kiss a woman's hand, but not if she is young and unmarried, and never in a public place. Above all, their Ilps and the lady's hand must

"Kissing is a tribal custom - and you always know what tribe you are in", says Patrick de Jacquelot, London correspondent for Les Echos. In Italy It also a tribal thing: male members of the Mafia kiss on both cheeks, other men do so at their peril. The former prime minister Ciulio Andreotti was allegedly spotted doing just that with a well known Mafioso - a kiss which is now being counted as evidence

against him. The Germans are compulsive hand-shakers, the Dutch kiss three has even developed the famous times as do the Flemish-speaking "Manhattan Air Kiss", in which no Belgians, whereas the Frenchspeaking ones kiss twice. The problem with these continental systems is that they are too time consuming, as each member of a group has to exchange the required greeting

with every other member. The Japanese method is both simpler and quicker: they do not kiss at all, ueither do they touch flesh. The polite greeting is a bow, and even this is reserved for strangers and superiors.

The US system falls as it changes with fashion. Until recently a firm handshake was the required greeting everywhere. Lately, the smart set on the East Coast have started kissing each other, and New York contact is made lest it disturbs the make up worn by society women. In Washington the new greeting is a hug. Since President Clinton

hugged Al Gore at the inauguration and gave an even bigger one to the poet Maya Angelou, young political hopefuls have been seen wrapping their arms around each other at the smallest excuse. In all countries the consequences

of a misjudged kiss can be serious. In Knwait a peck on the cheek in a public place can land you in prison. and in the US a man kissing a woman in a business setting could be charged with sexual harassment. In Britain at the very least it makes for a sticky beginning or

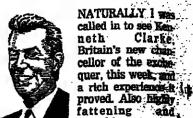
end to a social gathering. Two male colleagues admit to having absent mindedly kissed the husbands of guests in the general flurry of kissing that follows a successful party. So how to avoid such problems?

Lesley Kark, chairman of Lucie Clayton, the finishing school, says that if in doubt on any point of etiquette, you should ask. However, it is not always practicable to discuss whether you should kiss some-one before doing so, especially as the person you ask may not know the answer themselves.

The reason the British are making such a meal of kissing is that we are not tactile people. Let me suggest an alternative way of greeting better suited on us: look the other person in the eye, smile where appropriate and say "hello".

That meets all the criteria: it is clear, quick, does not offeud against our nature, and many people have been doing It for dec I plan to try, even if the word gets muffled as someone puts their cheek to my mouth.

Fat of the land Michael Thompson-Noel



superbly entertaining for the chancellor is a trencherman and a voluptuary, a man whose talk is spattered with bursts of florid poetry and football scores and tales from the music halls - a tribune of the people, if ever I met publish report i

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On one side of his desk stands an enormous walnut sideboard groaning with concoctions - mainly res tic ales and ciders from Lincoln-Nottiughamehlie, shire, Nottiughamehly, Warwickshire, Herefordshire, York shire, Cornwall, the highlands and lowlands and off-lying isles.

Ou the other side of his desk etands another enormous walnut sideboard bearing tureens of sup and a display of traditional isni-stuffs – Glamorgan sausages, Bra-denham ham, wyau Ynys Mon-(Anglesey eggs), cucumber ragoni, parsnip and shellfish salad, soft retart, jellied eel mousse with watercress sauce, Bakewell pudding St

Valentine's syllabub. Help yourself, old chap, said the people's trihune. So I filled my plate with food such as pudding of capon neck with giblet gravy, and crunched and munched heartily while the people's tribune wouch safed to me his feelings and higher

I feigned surprise when the new chancellor declined to discuss what



he calls the "technicals" - inflation. GDP, sterling, prices, job losses and certain aspects of Kondratieff cycle-theory that I thought might appeal to him – on the grounds that he has only just got his scuffed suede shoes under the desk at the Treasury and is not yet ready for full-blooded debete with someone

like me, duplicitous and odious. The technicals are fine, he said, or will be quite shortly when I have climbed on top of them, mastered my brief, banged a few heads gether and assured the nation, on primetime TV, that the only problem with Britain is media scaremongering and misrepresentation, people like you, duplicitous and odious if superficially charming. Have some more capon neck. Do try the

I said: I thought we were in Queer

Nonsense, guffawed the chancel-Ior. Balderdash and codswallop. You make things up. You ought to be taking pills. What an imagination. The only problems Britain hasare inside your heed. Look at Wednesday's Epsom Derby. A magnificant national festival. The Queen looking ... radiant. Ditto the Queen Mother. A record £754,300 in prizemoney and a titanic, pulsating win for Commander In Chief which quickened like a good 'un, a legend in the making - another feather in the cap of his sire, Dancing Brave, which I believe I recall you profiled

I said: Dancing Brave's in Japan He was cast out and exported. In any case, Wednesday's Derby was another national calamity. There was a hot-shot favourite. Tenby by name, which was backed to odds on - thanks to the racing media: what a dozy lot - and finally finished tenth, enriching the bookies by millions. The amount of money lost by poor people on Teuhy, chancellor, was just another nail in the

national coffin.
Get along with you, roared the chancellor. As you've just admitted, the only reason that Tenhy was odds-on favourite was because a lot of stupid racing hacks who couldn't pick a winner if its name was etched in letters of flaming gold 1,000ft tall in the sky above New-market said he should be favourite. Let me repeat myself: the only thing wrong with Britain is media scaremongering and misrepresentation - plus incompetence. Have you tried the goose? If you open that drawer you'll find a first-rate piece

of Stilton. I said. What about our institutions? From the monarchy and parliament down they have all been exposed, during the low tide of recession, as the blackened and rotting piles of a crazily-tilting pier. What is the government doing about it?

There you go again, beamed the chancellor. You set one hare running and then you set another in an endless, sensaless flip-flop of non. sequiturs. Slow down. Keep calm We have put the recession behind us. We have sacked Norman Lam & oot. John Major is a broken man. I am now in charge. And what I say to you is - have you tried the woodpigeon with chestnuts and cabbage? A supremely English dish. Goes

Private View/Christian Tyler

The actor who reclaimed his crown

Someoue who is uot a bank manager or a hairdresser. What else? A man like any other - e bundle of habits and attributes sur-

rounding a vulnerable self. When an actor has scaled the heights of his profession, as Robert Stepbens has, the world wants to know what the man inside is like. When he has also surveyed the depths, it turns him into the hero of his own morality play.

It is easy - too easy - to contrast the public and the private person. On stage, Stephens has a huge presence and an exuberant confidence that borders on the reckless. At home he is self-effacing, sweet-natured and trusting in an almost childlike way.

in company be can be garrulous yet elusive, metaphorically diving into the dressing-up box to put on another cloak for another character. Or he will just switch off and drift silently away.

He talks appreciatively and at leogth about other people, very modestly and awkwardly about himself. A personal question is likely to be answered with an anec-dote, no detail omitted, in which the full range of his actor's voice melodious, highly-inflected, now drawling, now rushing - is exploited to divert you.

Stephens, the ladykiller with film star looks, arrived at the Royal Court theatre in London in the mid-1950s moved to the National Theatre in the early 1960s and took the town by storm. Before long he was being talked about as the man to luberit Olivier's crown, both as actor and head of the company. It led to Olivier rejecting him. Then his marriage to another rising star, Maggie Smith, failed and Stephens, always one for the high life, hit the

His career sagged into minor roles and hit-parts for film and television. He did not exactly disappear from the theatre - be had seasons at the National to 1978 and 1983 but his name faded from the public mind. Then two years ago the Royal Sheakespeare Company's director Adrian Nohle (who as a boy had seen Stephens' famous performance as Atahualpa in Royal Hunt of the Sun) asked him to play Falstaff.

The man might have gone astray but the actor was as potent as ever. His Falstaff won him last year's best actor prize in the Olivier Awards. Two weeks ago, the critics were back at Stratford to see his King Lear. If some questioned the interpretation all agreed that Stephens was moving and magnificent.

Lear resumes on Monday. I went to see the protagonist, who was hobbling round his London flat suffering the after-effects of an infected foot. Despite a series of medical mishaps, I found Stephens looking almost unrecognisably young: at 61, he has become handsome again. At first he was reluctant to call

his recent success a come-back. But no talent become very successful he agreed eventually, saying: 'It's nice to know you can still get up there and do it."

After he had described all the fac tors that bad contributed to his absence I asked him: don't you blame yourself for being out of the

picture for so long?
"Well, I do Because I think I got lost. I lost my ambition. I lost my ... because of the failure of the marriage, because of the ending of my relationship with Olivier. I felt a bit bereft of many things. And also I lost my direction.

I tried to get Stephens to talk about himself. You are very modest aren't you?

Are you too uice for theatre "Yes. It is very difficult; I've tried to do it several times. If you're not careful you can get let down very badly by people. A very trusting persou?

Robert Stephens

is back at the centre of the English stage. He talks about the perils of being too much yourself

"Very." He described a West End venture which had collapsed. He had been misinformed and badly advised, he said. "I was naturally shattered by that experience."

A deeper blow was the ruction with Olivier, a father figure with whom he had spent the best eight years of his acting life.

"He was my great symbol, some-one I aspired to, not only as an actor, but as a man, as a friend, as a companion, as someone to be with, to talk to, whose company was elways incredlhly sngagiug,

As Olivier's associate director be found he had hecome a pawn. "When you didn't agree with him you got the old cobra eye for about week. He didn't like the word No. He was the kind of person who would allow nobody to make decisions but himself. I was given an office and secretary hut I didn't have anything to do." I asked if he was ambitious about

acting hut not competitive.
"I never have been. I don't understand it." He added that he was "very cross" about etories that he had been jealous of Maggie Smith's success. "That was completely untrue. I've never felt jealous of an actor or actress. You can't be them. I was thrilled for any success she had because it was deserved. She is a genius as e comedienns. You get cross when you see somebody with

irritated that they've got away with

Do you need a lot of supporting as person or is that true of all actors? think it's very much the kind of persou you are. I've always worked my best in a company atmo-sphere. I think it's conducive to better work: you get to know their little ways. Also to work with direc-

tors you trust." It seemed unfair to ask Stephens now to talk about his famous appetite for women and drink when he has been living happily with the actress Patricia Quinn for over 15

years and has stopped boozing.
"Certainly as a young actor I did
abuse the drink for a time," he said. "I was very unhappy and going through a bad period. But when I was young all actors drank. Now there are vintage waters." He scol-fed. "If you get taken out by an American producer and order a drink they look at you as if you are a bit odd. Faddism."

What happens, and it's a had thing because it creeps up on you, is when you become a habitual drinker. Your system becomes used to it. Then if you're not very careful, which is what happened to me, it begins to affect your health."

What about women? You were very popular with the girls... l enjoy the company of women, always have done, and that can get you into trouble. I think when I was married to Maggie - you can't blame people if things go wrong - I was very much on a high and as the marriage seemed to be failing you stupidly start playing the field. Was it the sex or the admira-

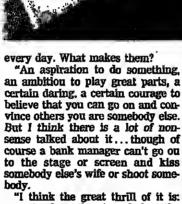
tion . . ? ".. and adulation. There are men who feel it is necessary to conquer every woman who steps into their line of vision. But that's a kind of mental problem - the Don Juan complex. I always despised people who have no respect for the other

Do you fall in love at the drop of a

"Yes. And of course that is extremely dangerous. Any advice I would give to a young hlade is you must always be absolutely sure that you're not going to hurt anybody." Stephens' has reason to feel strongly about rushing into wedlock. His pareots, a working-class couple in Bristol, married, he suspects, only because his mother was pregnant. His childhood was very unhappy because he felt, or was made to feel, to blame for his moth-

er's own unhappiness. He spent a lot of time at the pictures and it was there watching the cowboys and Indians that the actor was born. "I thought: Oh, I would like to do that! I would like to be somebody else.

"It was like the desire to play games, I suppose. That's all acting is really. It's a grown-up playing cowboys and Indians or gangsters But leading actors are not born



"I think the great thrill of it is: you stand ou the stage before the play begins and the lights go down in the auditorium - at Stratford there are 1,500 people - and you don't know any of them, where they've come from, whether they want to be there or not been dragged by their wives, whether they've just got divorced, whether they have just lost their father you know nothing about them.

"When the lights go down ou them and the curtain goes up on you you have to convince them in a split second that for the next two and a half or three hours they're going to have a jolly good time in your company, that they're quite safe, that nothing awful's going to happen, and they will go out feeling a int better than they felt when they came in.
"In fact It's a sense of power.

That's why I think acting on stage is much more interesting than acting in films."

It's a perilous profession, I said. Can you imagine having done anything else?

"No. I mean. I've directed a little.

but you have to plan your life so Outside the theatre, I mean. He answered without hesitation. "I would like to either have been e hairdresser or a dentist."

Why a hairdresser? "I suppose because they're so garrulous. Also they have to put on some kind of performance for all their clients . . . as so do dentists." What does an actor do after Lenr? Stephens would dearly like to play

Uncle Vanya, or Willy Loman in

Death of a Salesman. I asked him if there was a moral

in his story. "Yes, a man once said to me there is one thing you ought to be, or try to be in your life. Try to be circumspect. Don't jump until you're absolutely sure what you're jumping for. Because of your generosity, your enthusiasm for things you can jump on the wrong bandwagon or jump with the wrong person and carry the hrunt of the mistake."

But could you act the way you do if you were circumspect? Robert Stephens flashed a hig smile. "I think I could be circumspect some of the time."

THE BIG Euro-event of the week came on Tuesday when the Financial Times got three top editors to put their point of view on "whither Europe." There was Rolf Schmidt-Holtz of Stern, Claude Imbert of the French husiness magazine le Point and Kelvin MacKenzie of The Sun. Of the three Schmidt-Holtz was cer-

tainly the most balanced in his for-

mulation of where Europe stood

today. Germans always talk good sense in public. It was the British and French contributions that struck a nice counterpoint. On one side was a typical illogical xenophobia, on the other the clear exposition of national interest and attitudes from Mac-

kenzie who asked key questions like "can we trust the Belgians?" Imbert said he wanted to abandon what he called the absolutism of free trade. This was the "doctrine established in our most glorious period of economic growth, when the coolies of Asia were restricted to pulling rickshaws; the coolles now slt at computer screens." He also argued that the globalisation of

As They Say in Europe/James Morgan

Keeping the coolie in a crisis

commerce "brutally concentrates the production of rich countries in the least labour intensive industries." This destroys small and medium-sized business, "submerged by countries which offer their work forces no social protection and pay them wages 20 or 30 times lower than our levels."

Thus imperialism masquerades as social concern. It weeps for sweatshop coolies in front of their computer screens who work till they drop dead because they have no pension, but adds that the poor should not be be rich because they are poor, and they must not ba allowed to change that because if

they do it will be at our expense. "Social provision" is the Euromantra of today. Our unemployment benefits show what a caring society we have and mark us out from the poor. But jobs too are exports to Malaysia have grown "social provision" and the economy which has proved itself least able to create jobs is that of France. And we are supposed to believe that is

the fault of countries like Malaysia. Malaysia is an archetypal lowwage poor country, "doing Europeans out of jobs." Unemployment is 0 per cent, well officially anyway. Life expectancy is 70 years, more than 75 per cent of adults are literate and infant mortality has been cut by 80 per cent since indepen-dence in 1963. These achievements have been gained not through "social provision," but the efforts of "coolies behind the screens."

In the orthodox French view this is terribly wrong: Malaysia's growth has been based ou doing somebody else out of a job. One can, therefore, only marvel at the way French steadily over the past 10 years. On the other side of this trade account. Malaysia now controls more than 6.25 per ceut of the French import market. It is against this threat that the trade barriers have to be raised.

Imbert also said that the EC provided a common market that was large enough to guarantee competition and innovation at its heart. He concluded that the protective systems of the Common Agricultural Policy should be made available to other sectors. By mysterious means, I have come upon a fragment of a couversation between Senator Smoot and Congressman Hawley from 1929 which started with the former's observation, "l think, my friend, that no clean cut all-American worker should be did-dled and doodled out of his job by

wine-swilling boozed up Progs. Krauts and Limeys and their sly furrin' ways." "You are quite right, Senator Smoot. We can produce every

blamed thing we want right here in these United States." So the Americans gave us the Smoot-Hawley tariff act and its descendants, fascism, global pov-

erty and world war. The underlying assumption of Imbert's view is that crooked employers in poor countries are grabbing an unfair share of the world market. Yet the total value of French exports is greater than those of Africa, Latin America and the Caribbean put together. The French have always been wrong on international trade policy and even

made a mess of it when they

thought they had played an ace in

creating the CAP back to the 1950s. They thought the Treaty of Rome's advantages for German industry were balanced by guaranteed excess profits for French agriculture.

Bnt as Jim Rollo of the Royal Institute of International Affairs points out, the CAP saved German agriculture by imposing high prices which ensured its uncompetitive farms could survive. Low prices would have driven the Germans, and eventually the British, out of the farm business and given France what it deserved, the position of food supplier to the Community. But that would have implied a competitive marketplace which France could not accept even when it was in its interests.

This week European ministers agreed on more barriers to immigration into Europe from poor countries. And there was another French demand for barriers to their exports. Thus we protect Europe's "high level of social provision" whose greatest monument is the unemployment giro cheque.

James Morgan is economics correspondent of the BBC World Service. | particularly well with cider ...

